

# Houston Neighborhood Market Drill Down



**S O C I A L**  
**C O M P A C T**

# Social Compact Board of Directors Includes Senior Officers of America's Major Financial Institutions

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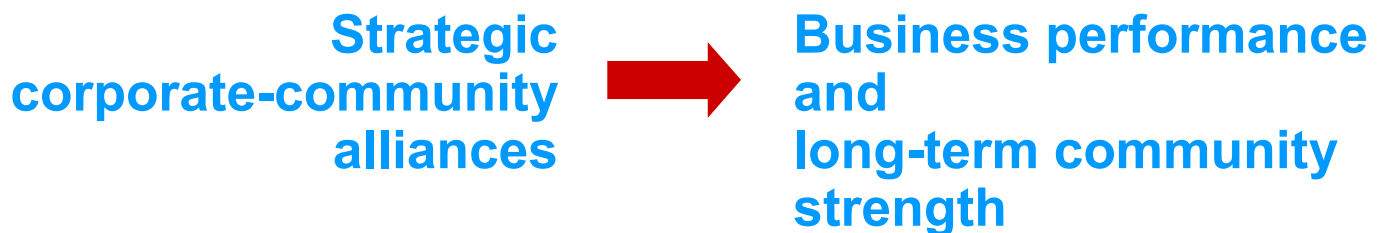
- **Michael R. McGuire**, *Affinity Bank*
- **Eugene A. Ludwig**, *Former Comptroller of the Currency*
- **Mark Willis**, *Chase Community Development Group*
- **Barry Zigas**, *Fannie Mae*
- **Stacey H. Davis**, *Fannie Mae Foundation*
- **Dean Schultz**, *Federal Home Loan Bank of San Francisco*
- **Preston Martin**, *Federal Reserve System, former Vice Chairman*
- **Joseph Reppert**, *First American Real Estate Information Services, Inc.*
- **Donald E. Lange**, *Pacific Financial Services, Inc.*
- **W. Roger Haughton**, *The PMI Group, Inc.*
- **Paul Bognanno**, *The Principal Financial Group*
- **Arthur Ryan**, *The Prudential Insurance Company of America*
- **Roger Joslin**, *State Farm Fire & Casualty Company*

# Social Compact Awards



Photo by Linda Bartlett

**10 years of identifying successful inner-city business investment models**



It's About Helping Neighborhoods

# Attract Private Sector Investment

Not Simply

Federal Assistance

# Addressing<sup>The</sup> Issues

Absence of:  
Dependable  
business-oriented  
data

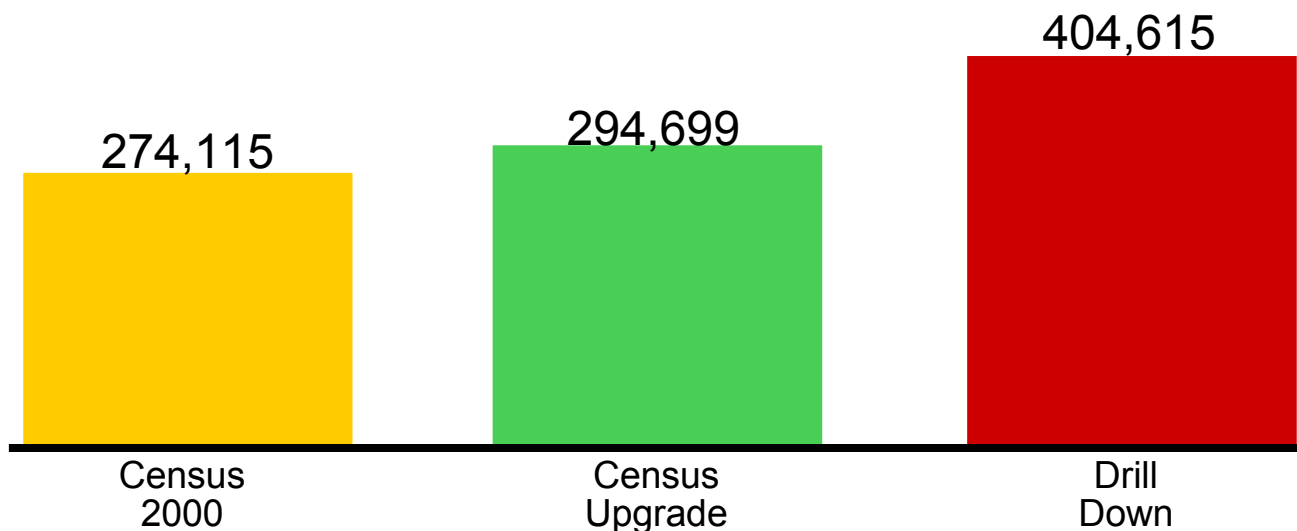
Effective market analysis  
tools that work in the inner city

# Chicago

Population 2000

## Four Chicago Emerging Neighborhood Markets

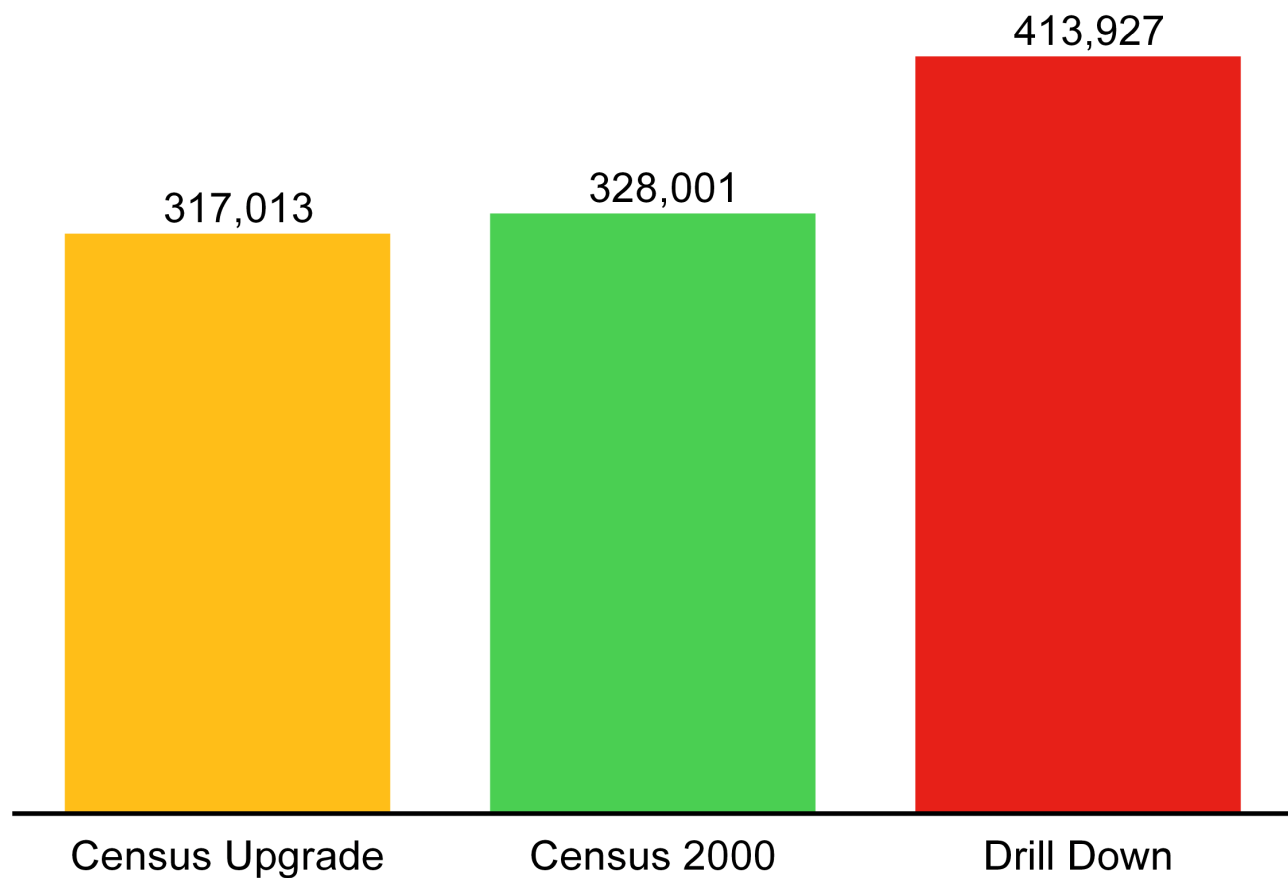
*As this and the next slide show, the Drill Down found a significantly higher population in its two previous markets (Chicago and Harlem) as well as Houston.*



# Harlem

Population 2000

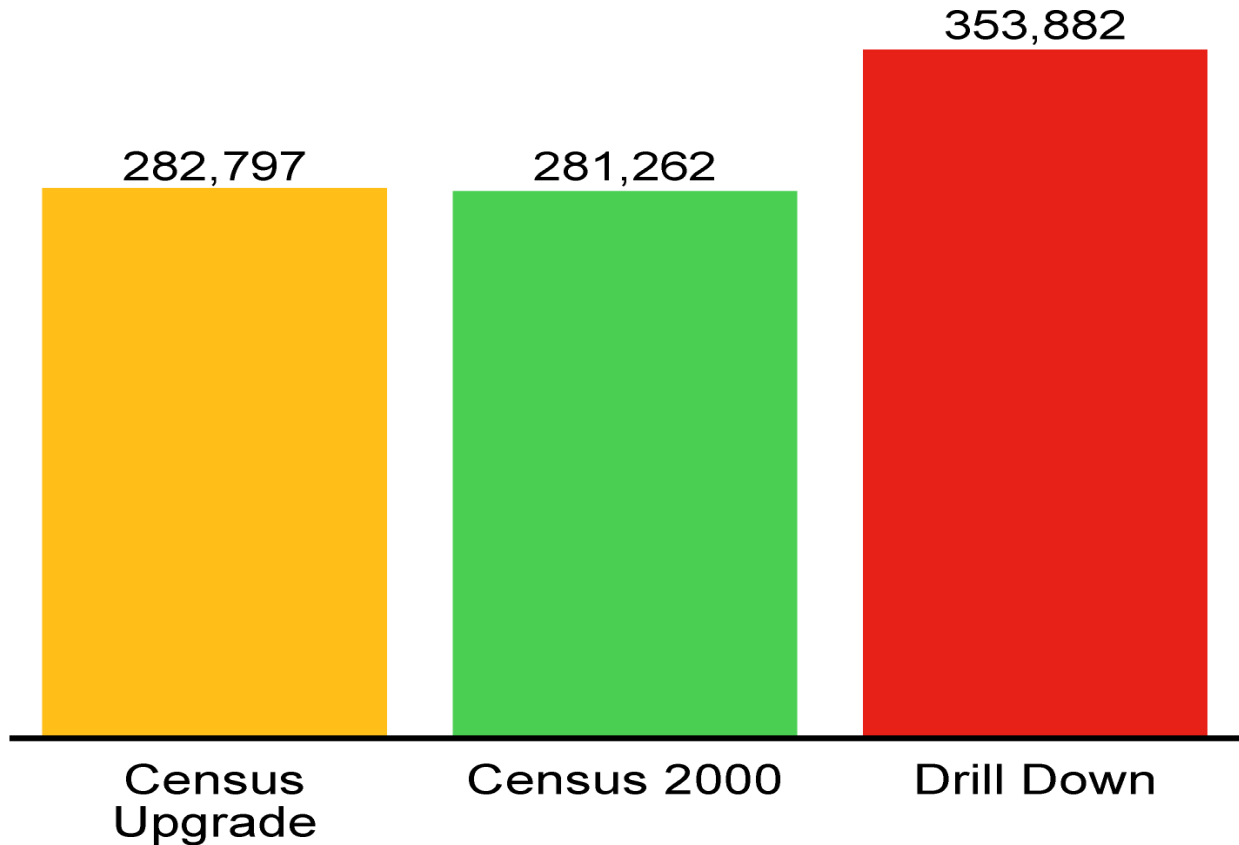
## Emerging Neighborhood Market



# Houston

Population 2000

## Emerging Neighborhood Market

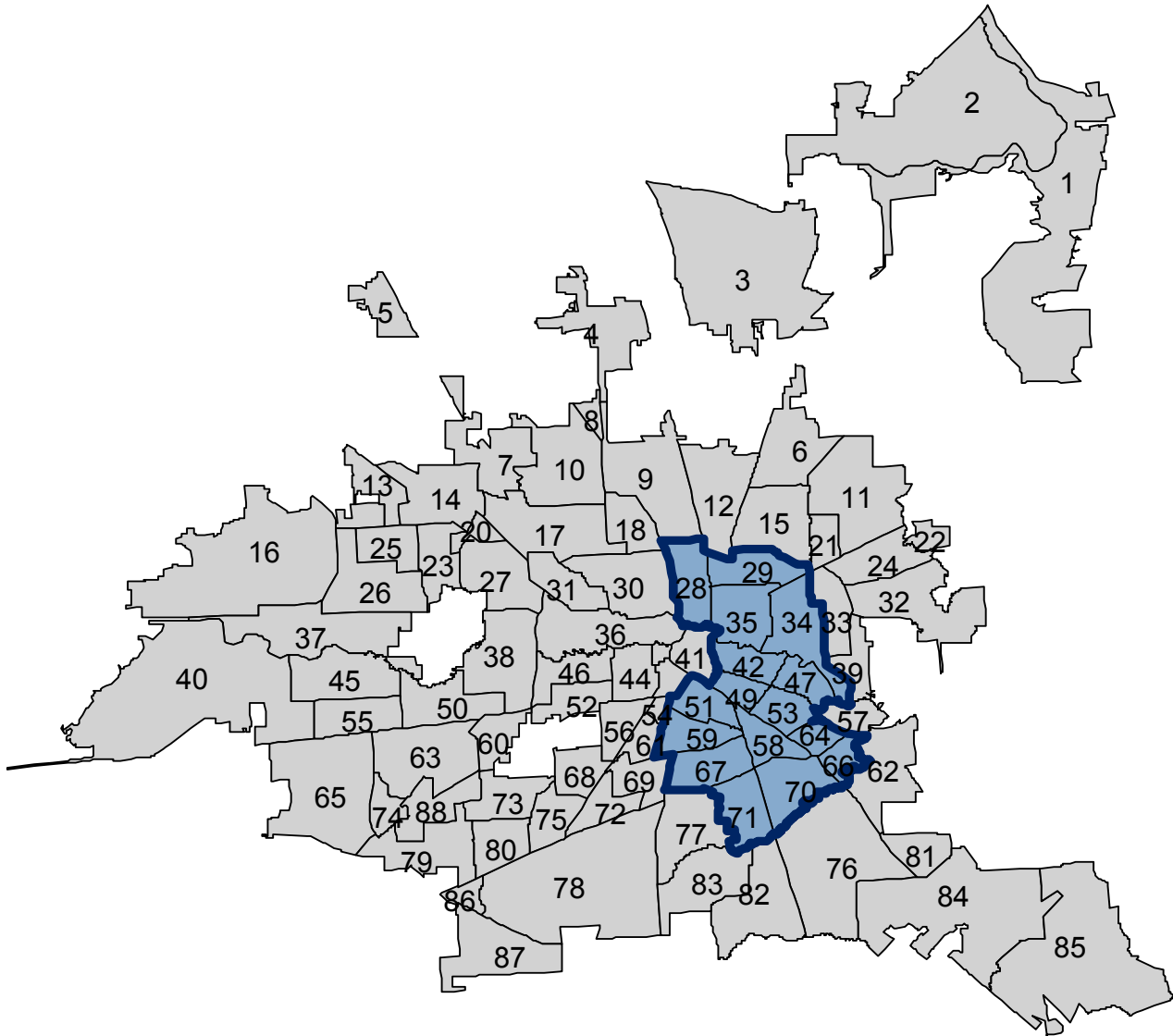




# Where in Houston

# Houston

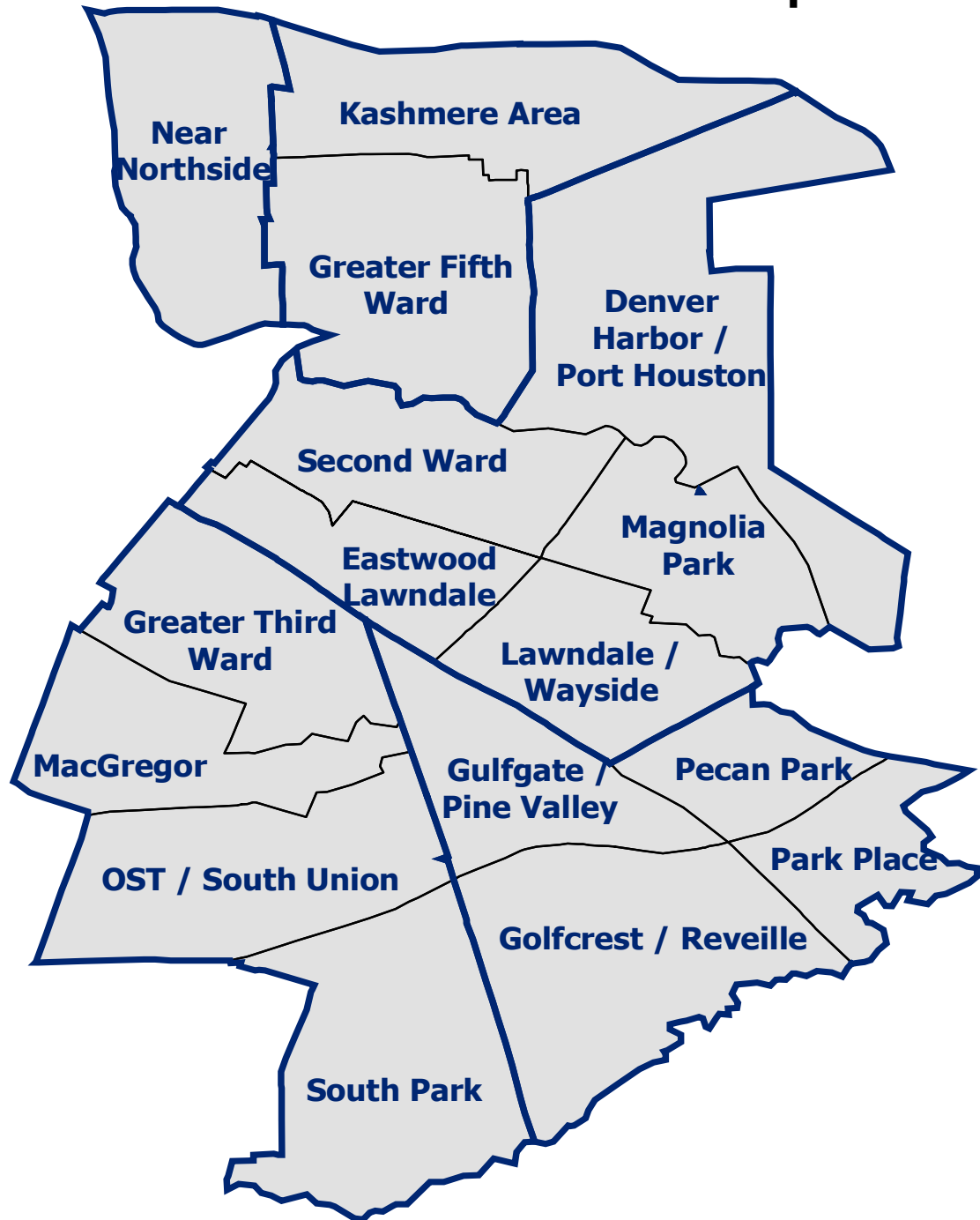
## Drill Down Neighborhoods



**16 Super Neighborhoods**  
**58 Square Miles**

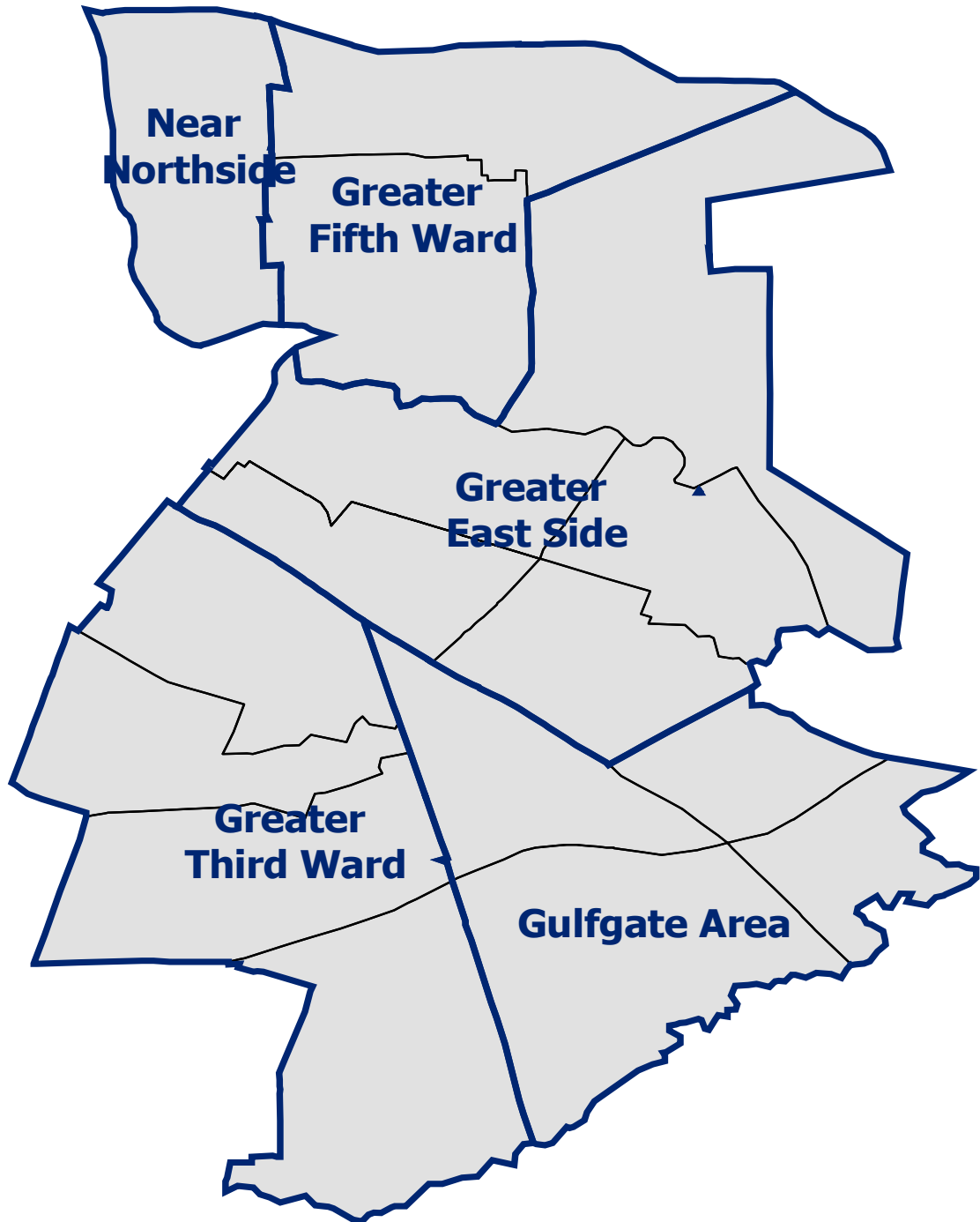
# Houston

**16 Super  
Neighborhoods  
58.59 sq. miles**



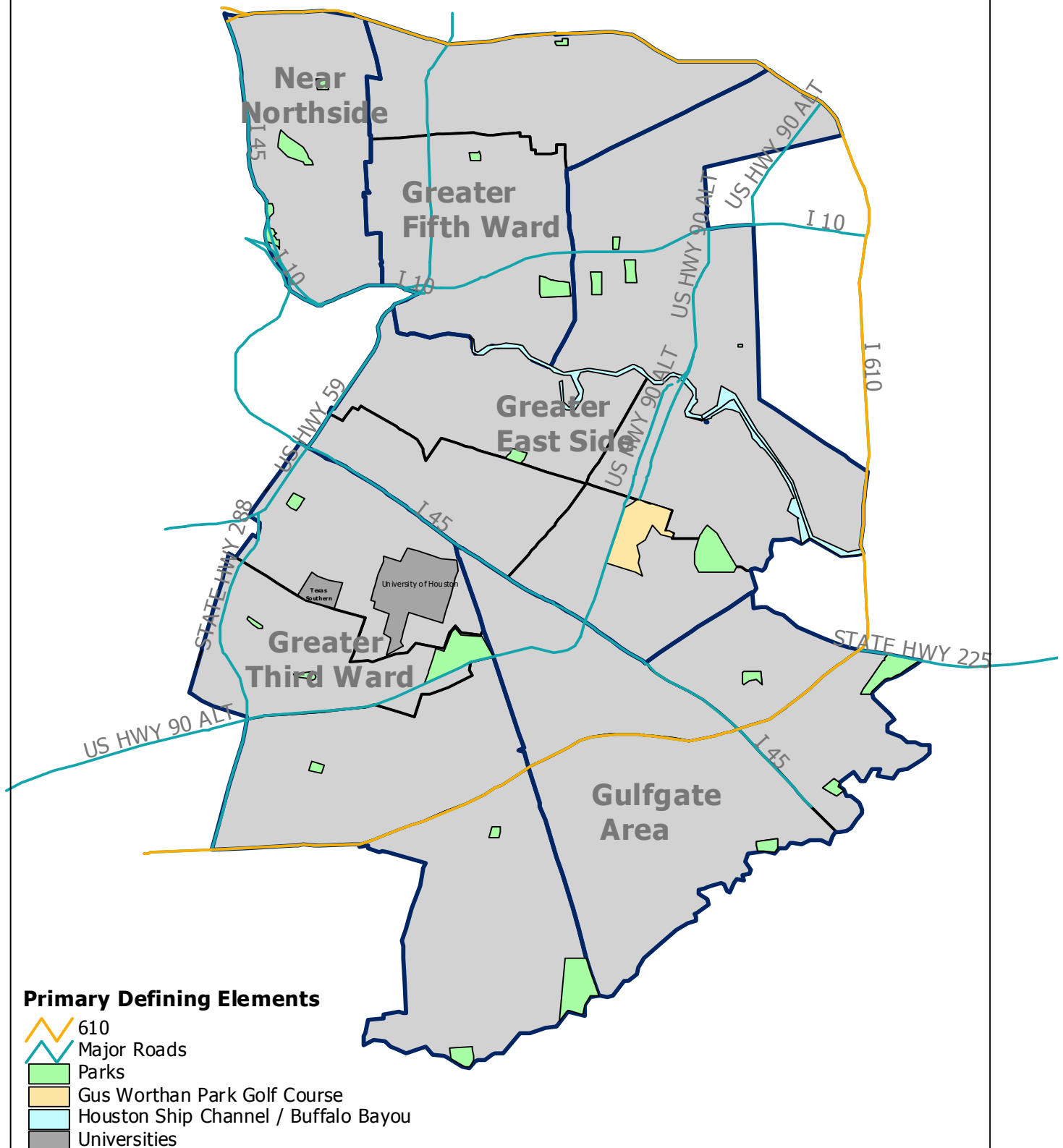
# Houston

## Grouped Super Neighborhoods



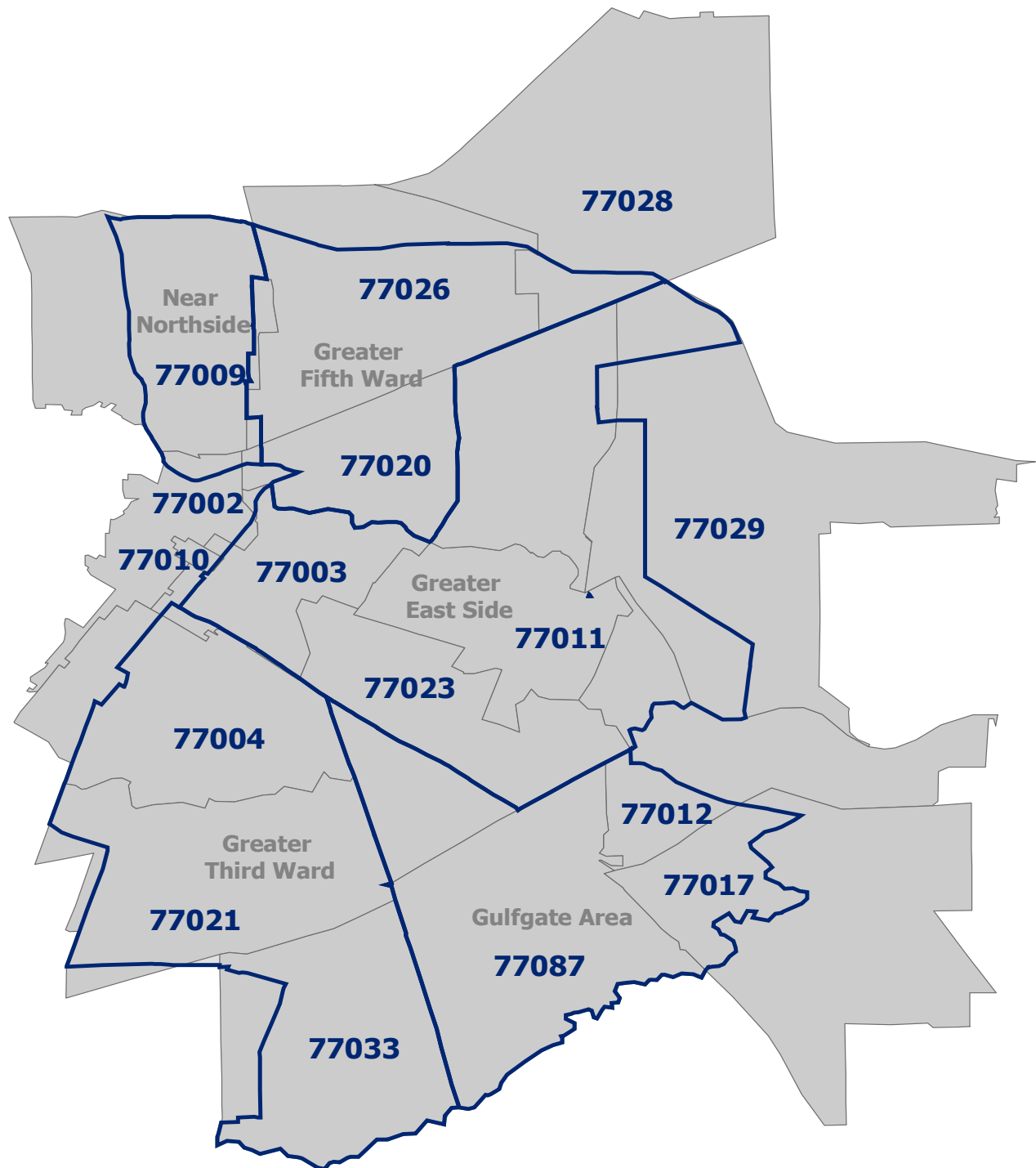
# Houston

## Primary Defining Elements



# Houston

## Zip Codes



# Methodology

How you build good data

Use multiple sources

Clean (and clean)  
and test

Verify on the street

Blend 50+ information  
sets



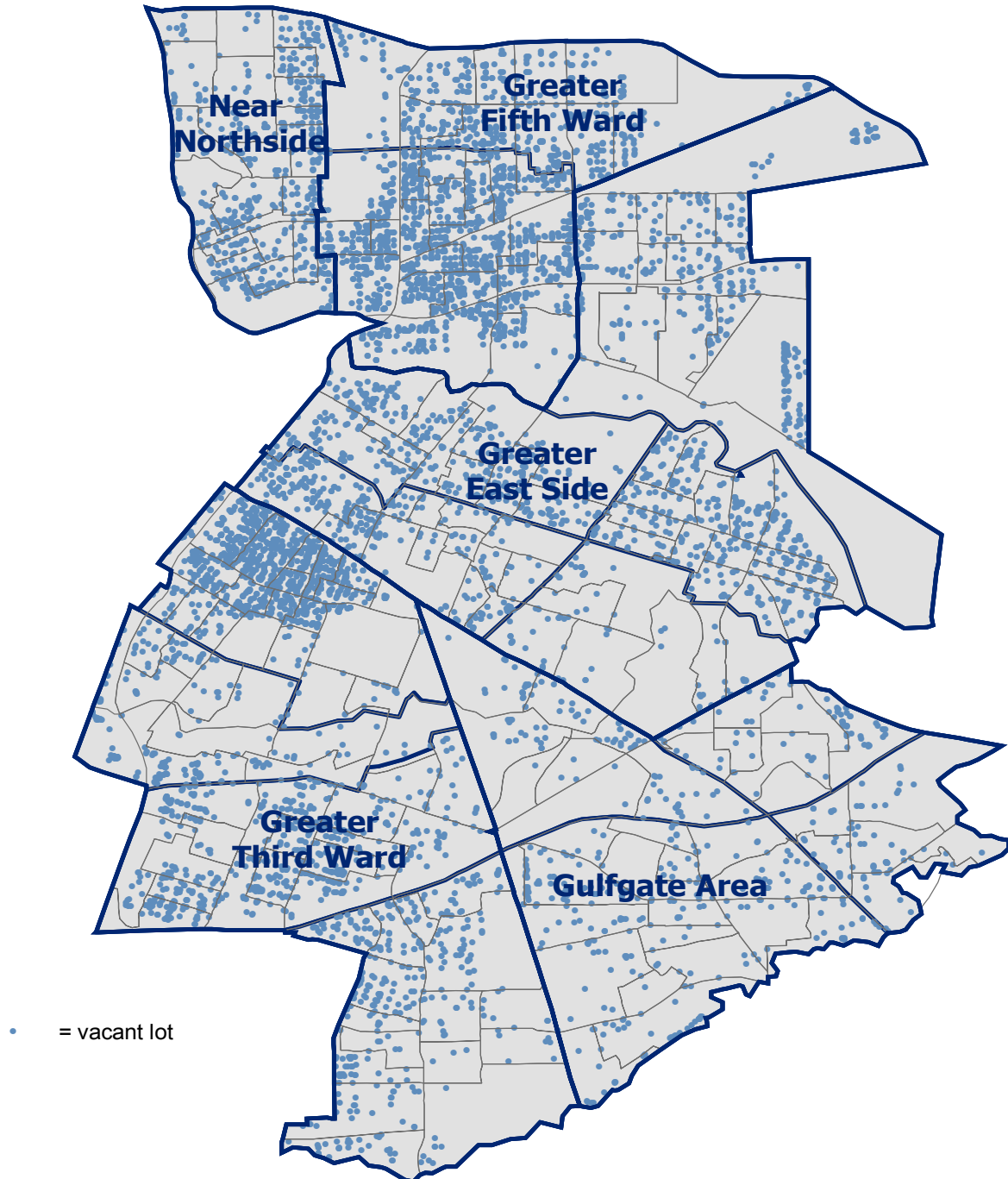
# Population and household counts

**Build a comprehensive real estate inventory:** Every parcel, every building, every unit, every household

- Tax assessor
- Building permits
- Auto registration
- First source real estate
- Cable billing addresses
- First source credit

# Houston

## Vacant Lots

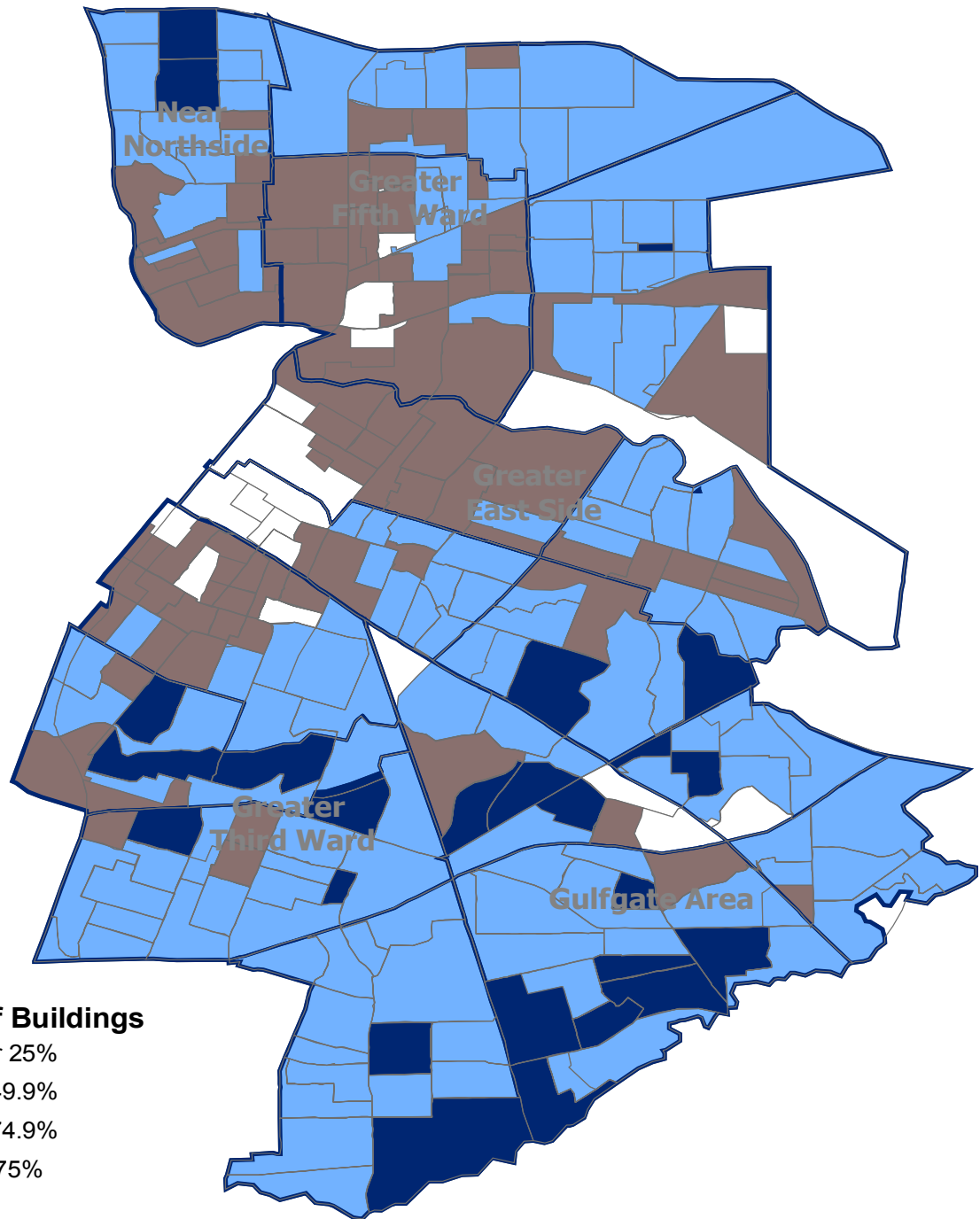


**Total Lots = 77,148**

**Total Vacant Lots = 7,503**

# Houston

## Drill Down Owner Occupied Buildings

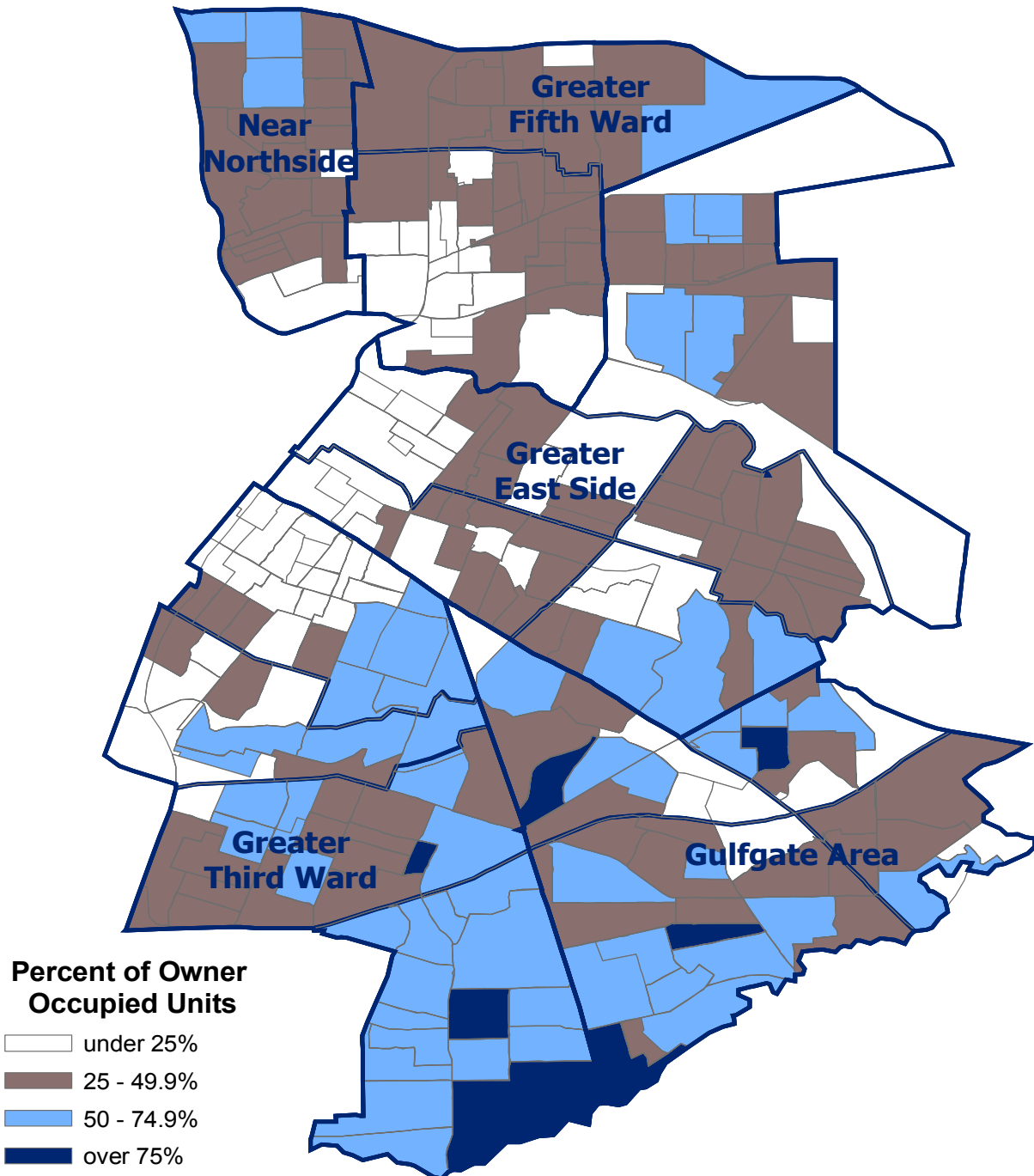


**total buildings = 69,645**

**41,381 total owner occupied buildings (59.8%)**

# Houston

## Drill Down Owner Occupied Units

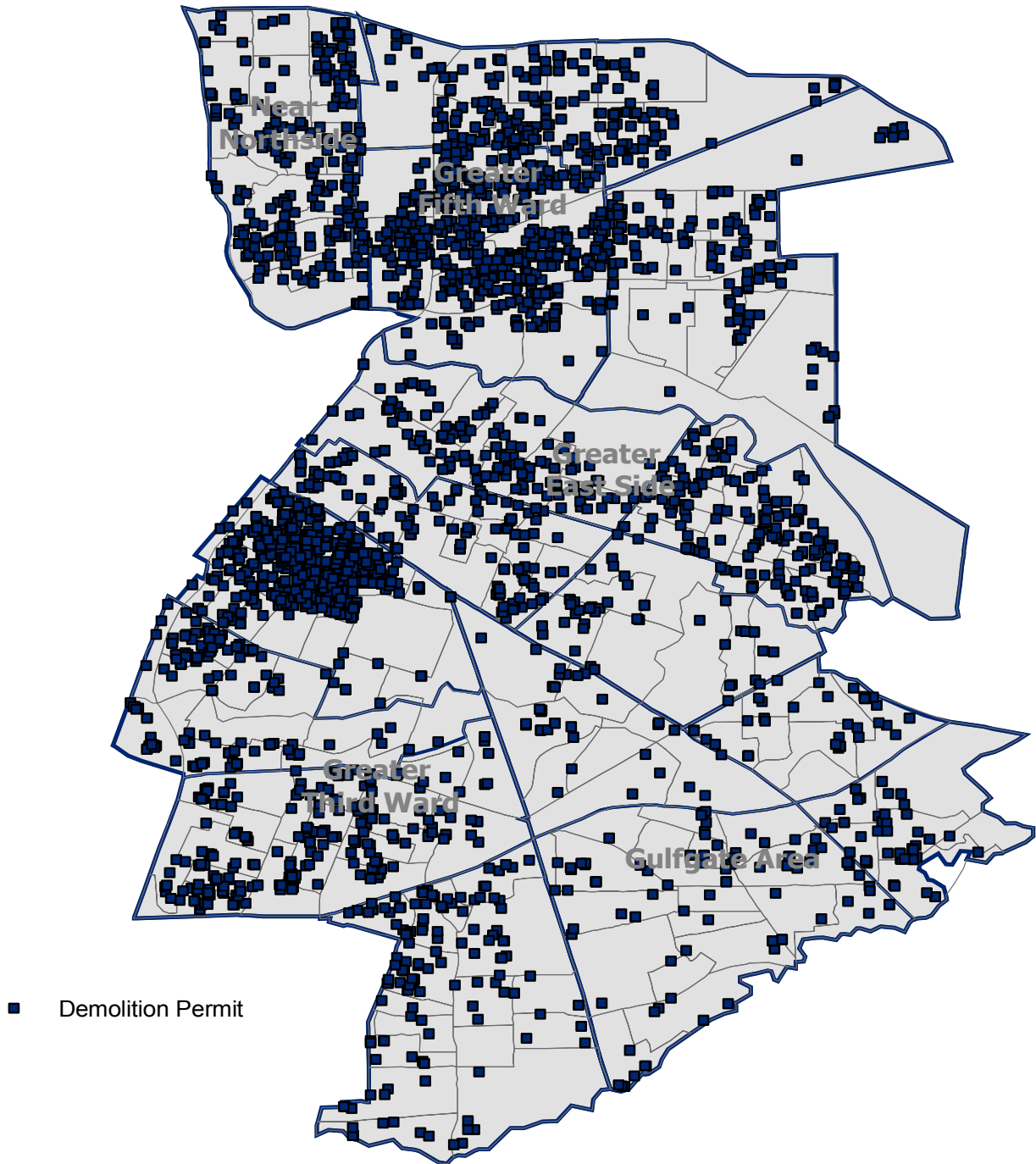


**111,966 total housing units**

**41,381 total occupied housing units (37.7%)**

# Houston

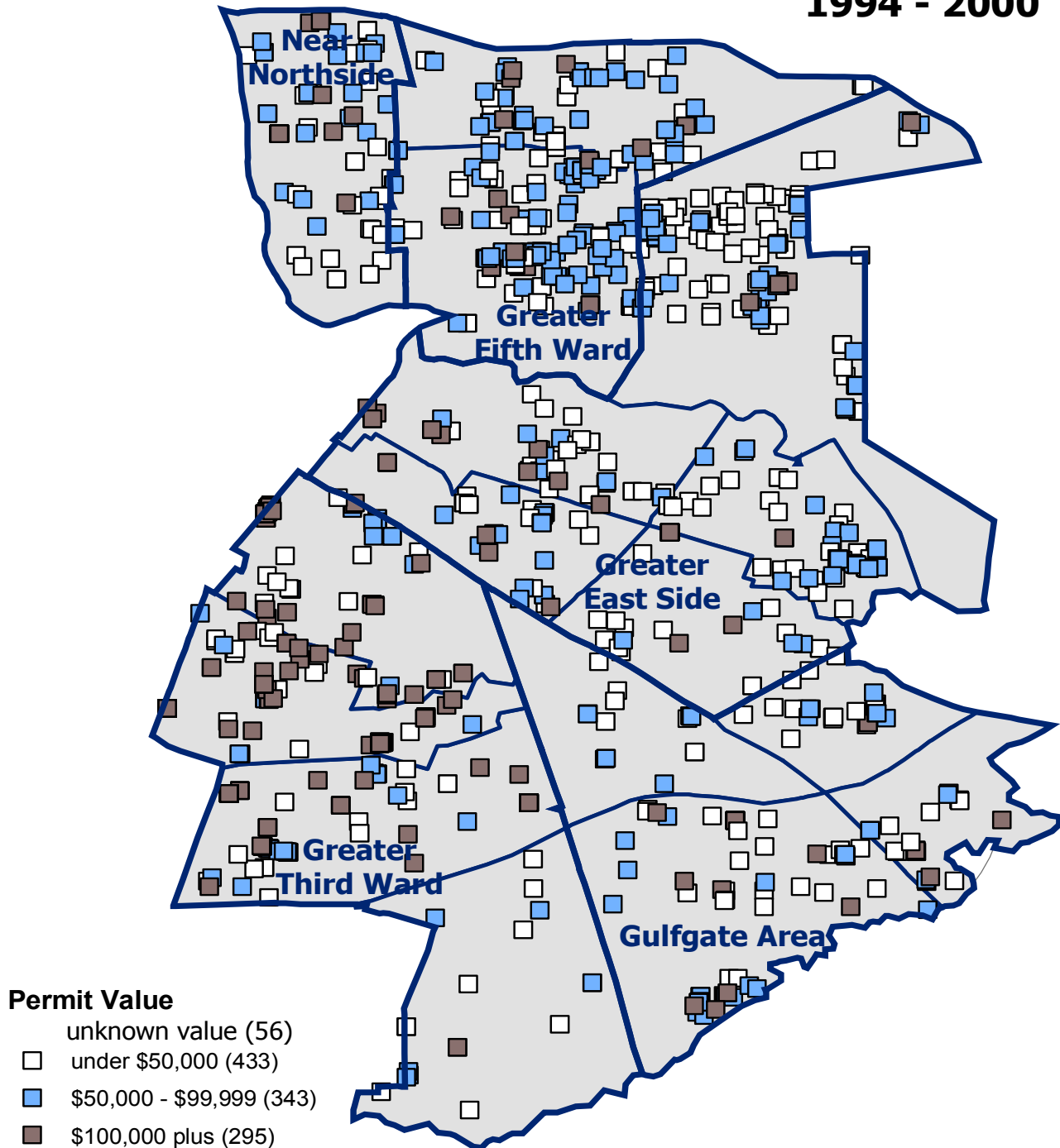
## Building Permits Demolition 1994 - 2000



**3,555 total demolitions**

# Houston

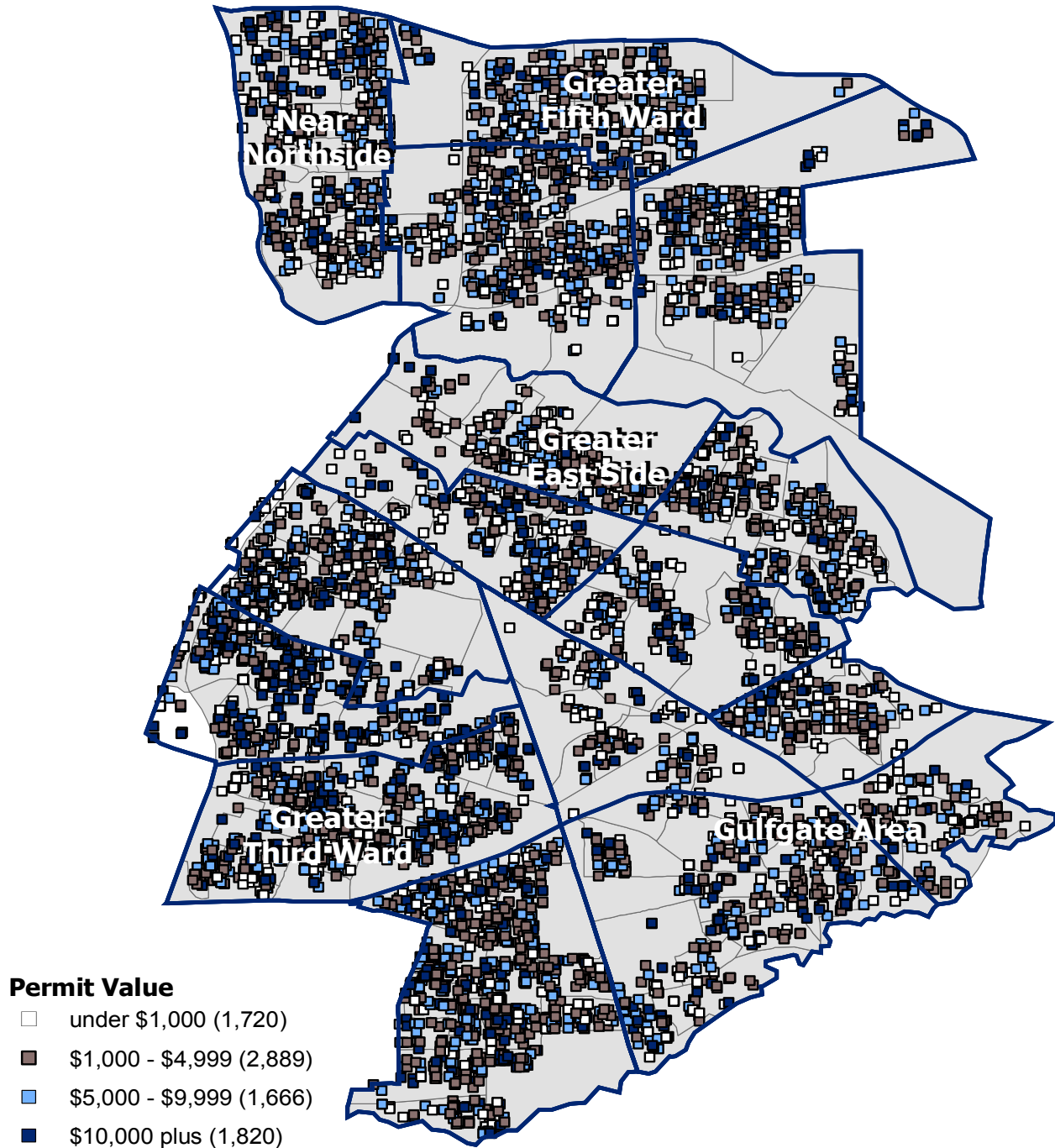
## Building Permits Residential New Construction 1994 - 2000



**1,127 total permits**

# Houston

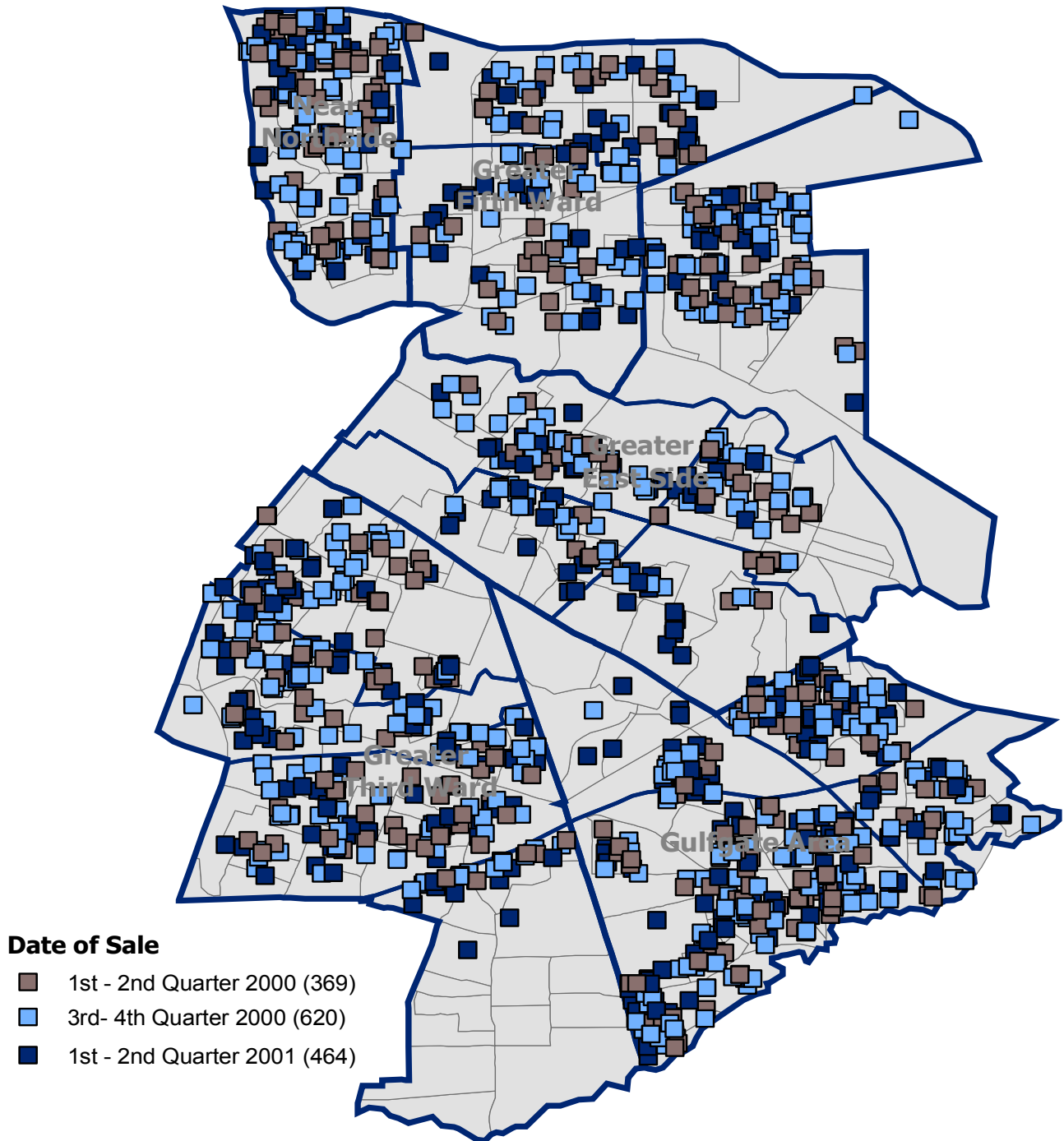
## Building Permits Residential Alterations 1994 - 2000



**9,187 total permits**

# Houston

## Single Family Home Sales Jan 2000 - June 2001

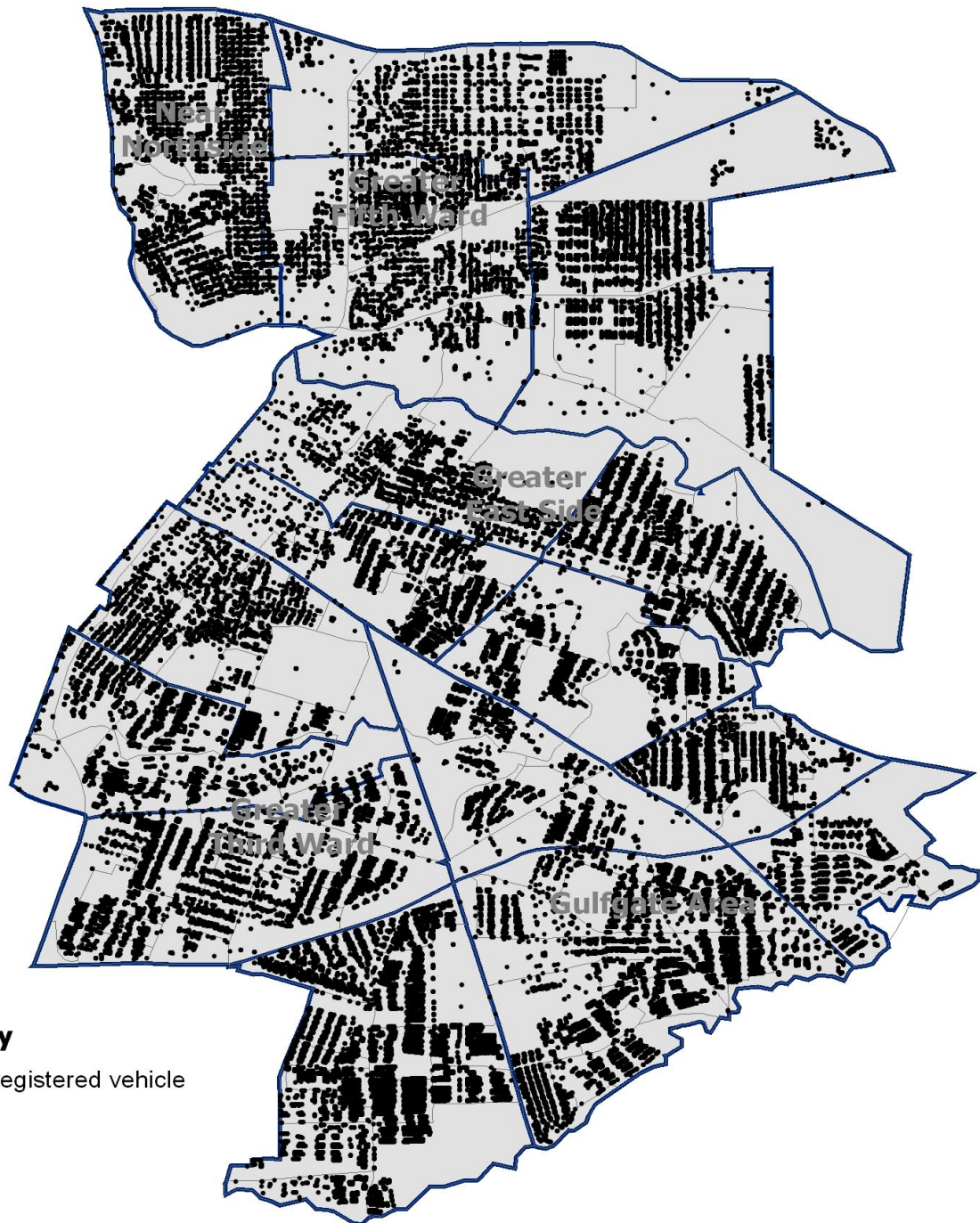


**1,453 total single family home sales**



# Houston

## Auto Registration Density



### Density

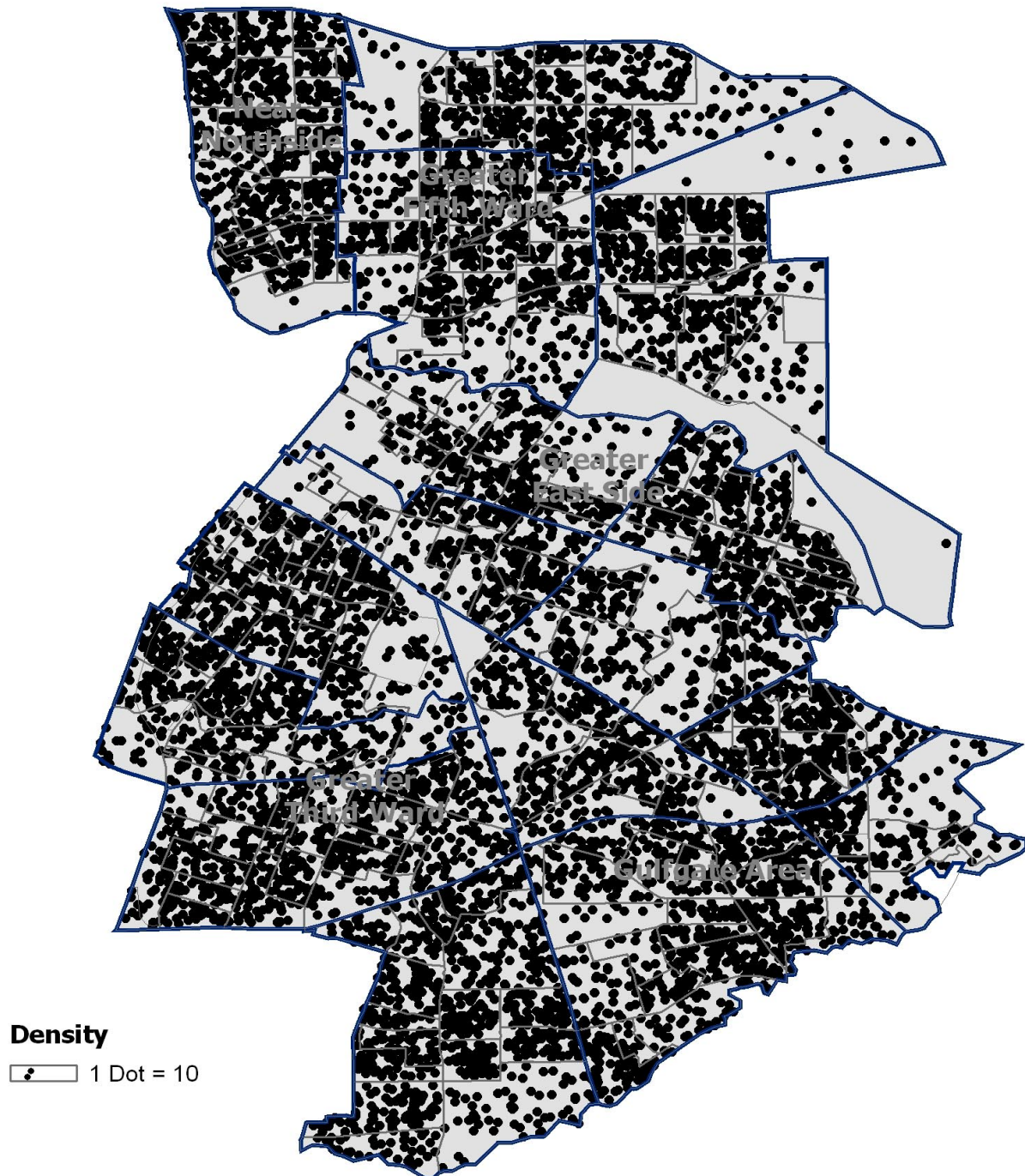
• = registered vehicle

**143,949 total autos registered**

**87,208 households with registered vehicles**

# Houston

## Acxiom / Experian Household Density

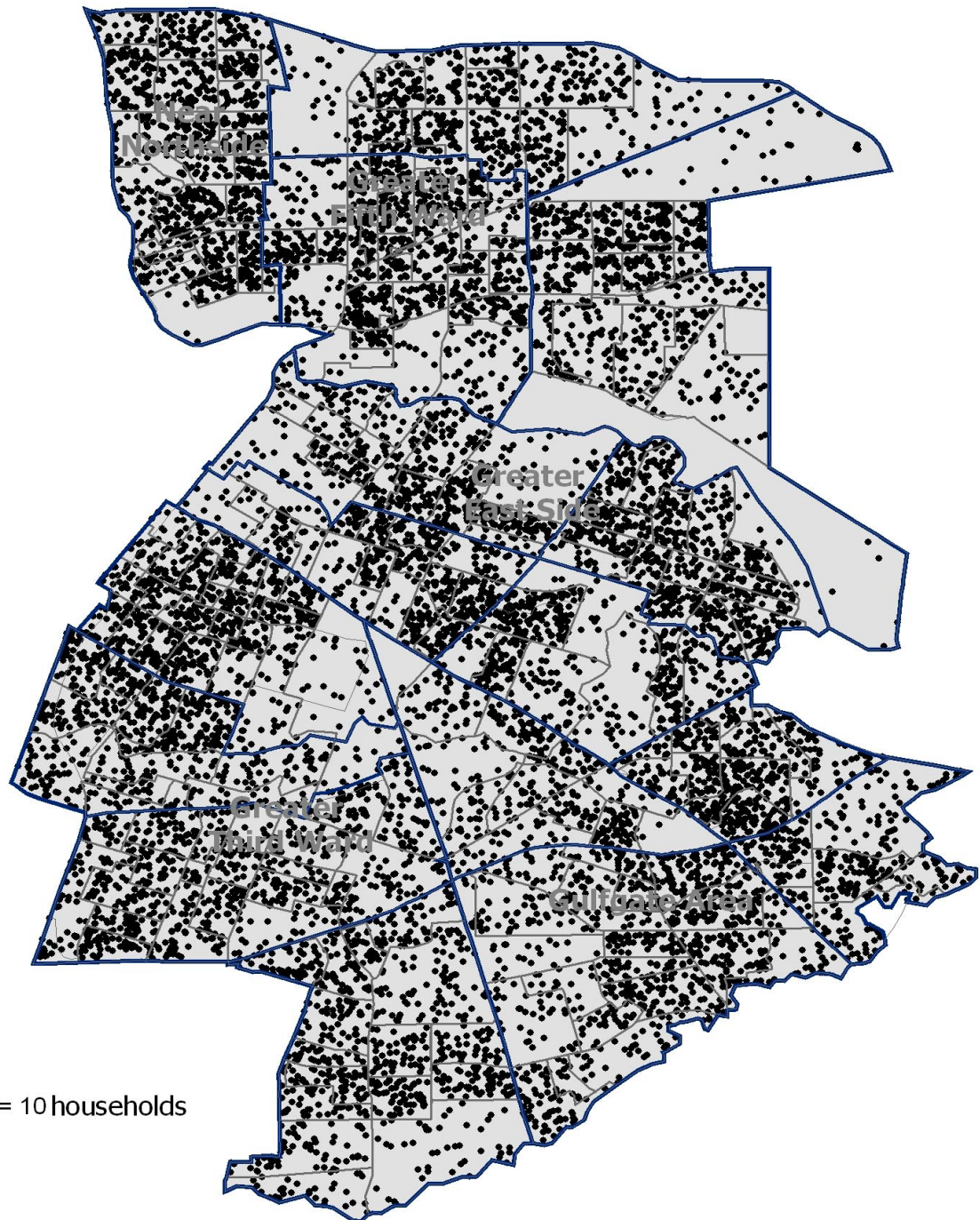


**99,029 total households (90.1% of all households)**



# Houston

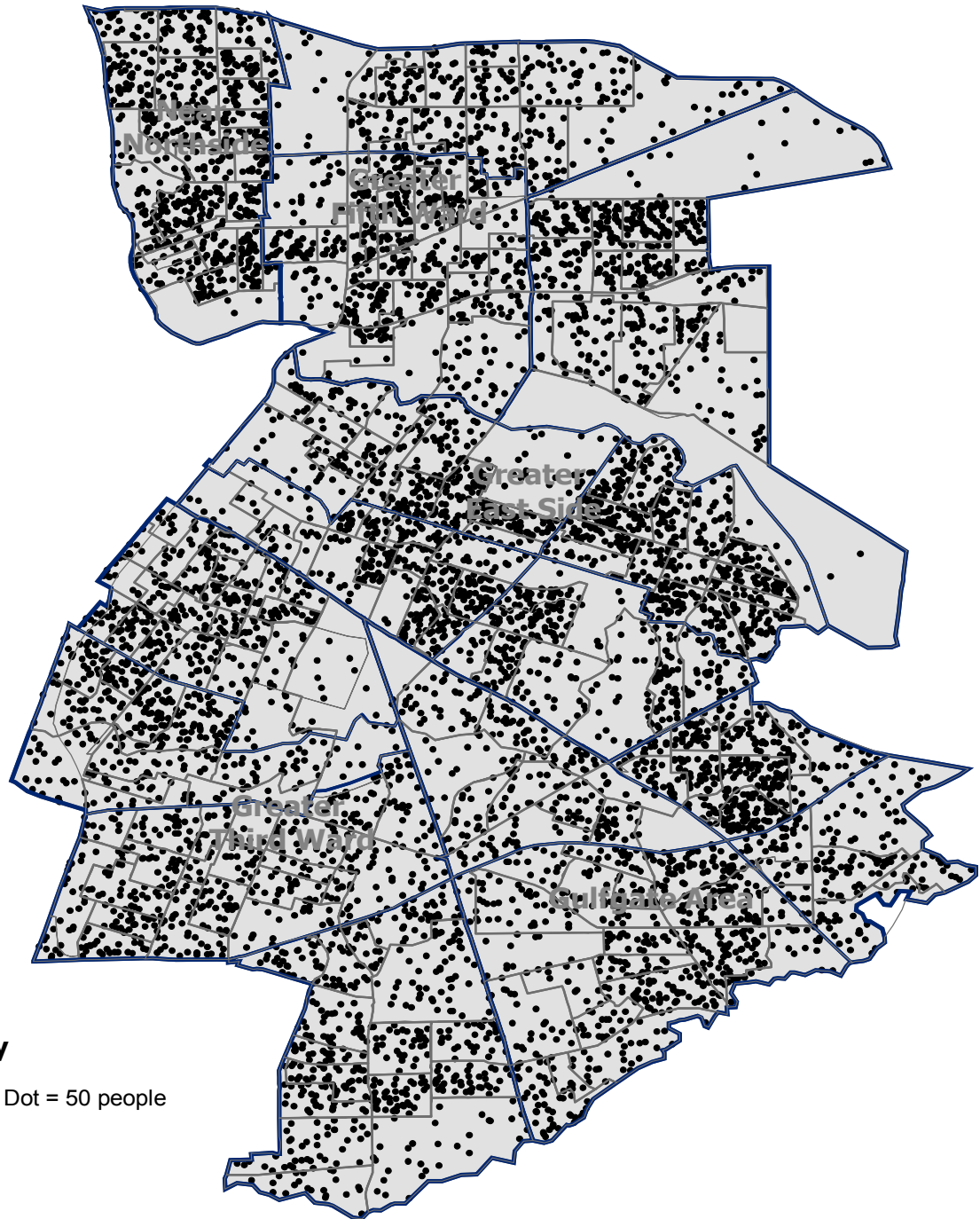
## Drill Down Household Density



**109,875 total households vs. 86,352 Census 2000 households**

# Houston

## Drill Down Population Density



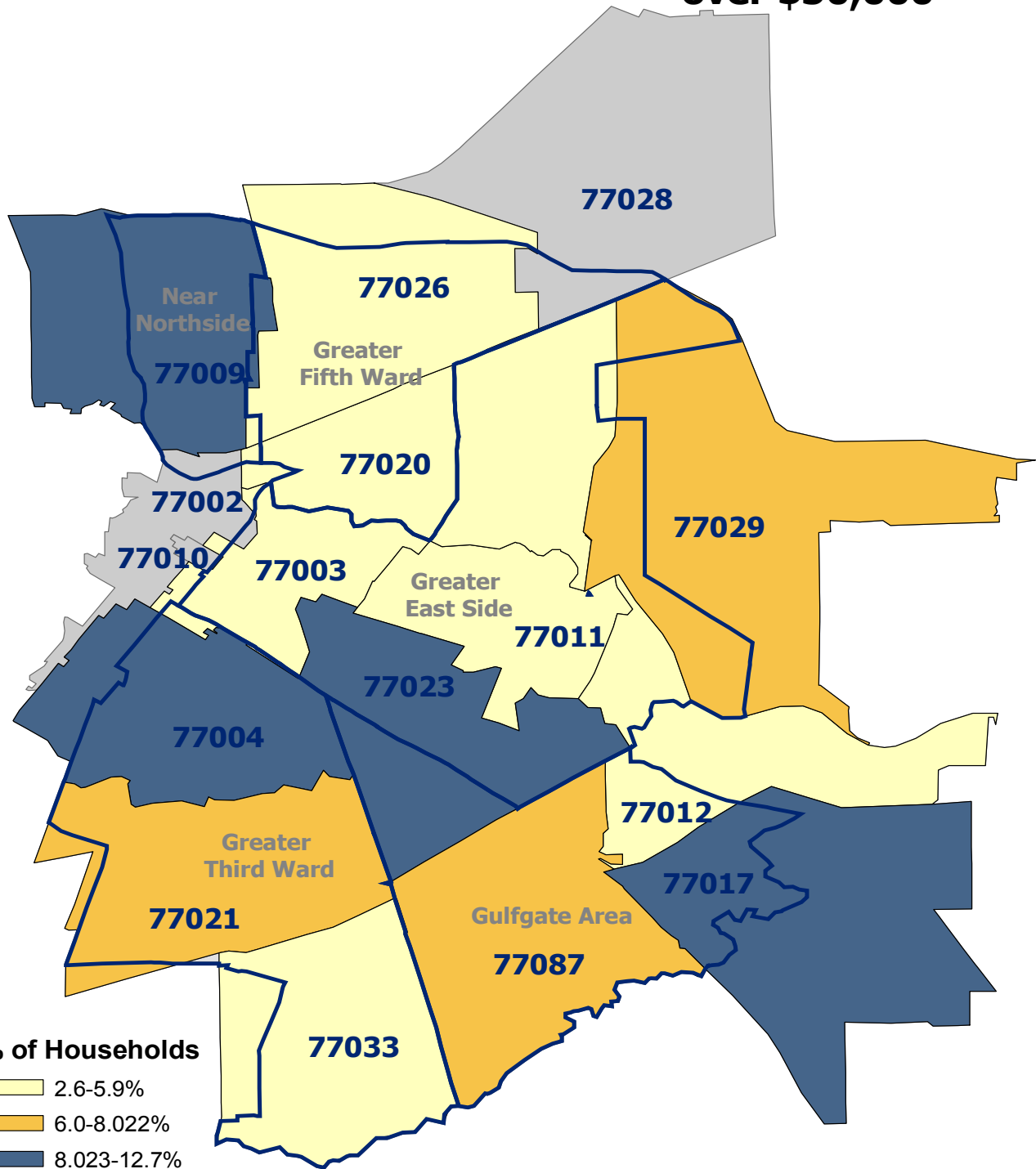
### Density

1 Dot = 50 people

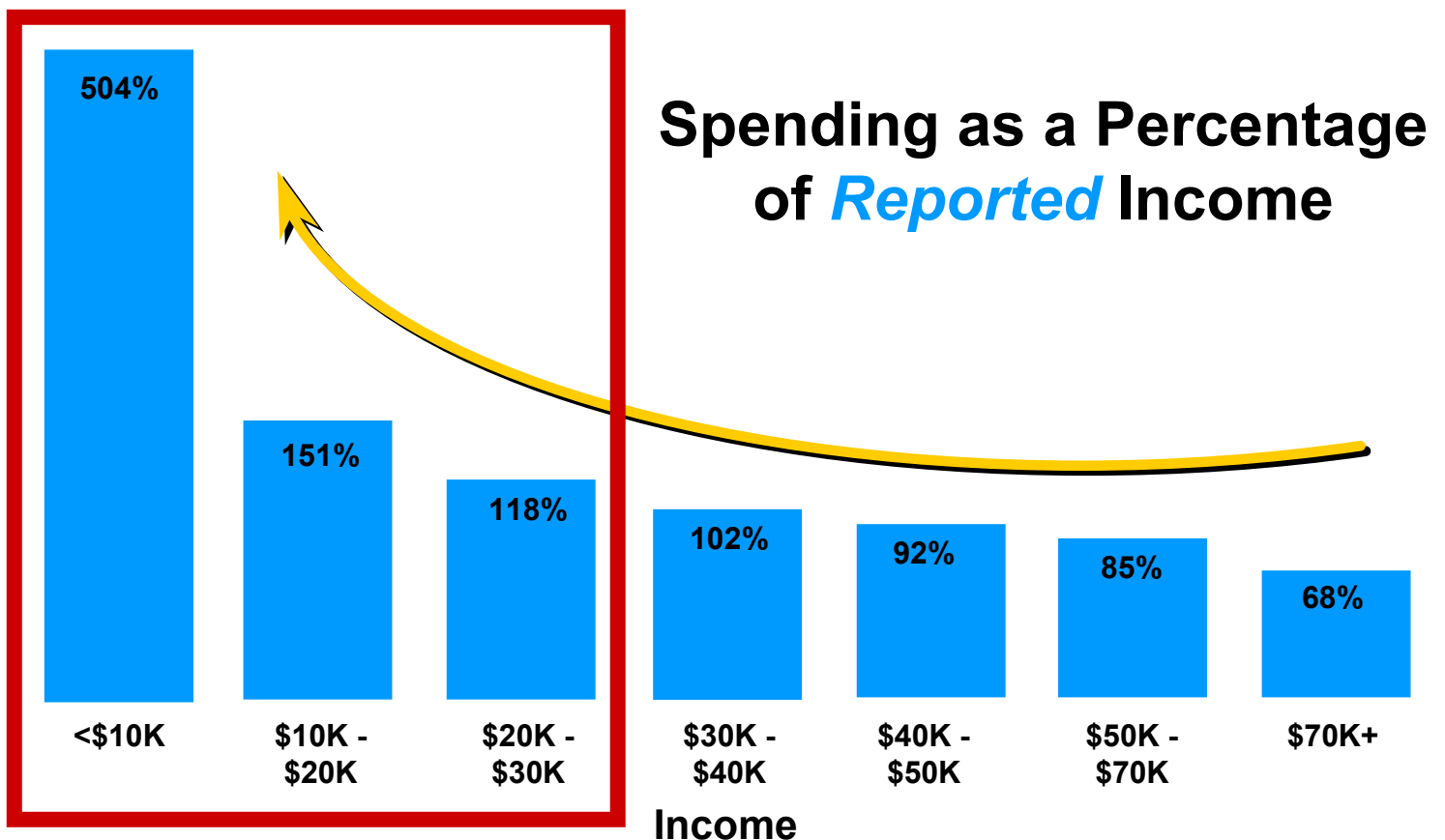
353,882 total population

# Houston

## IRS 1998 Data Households with Income over \$50,000



# Consumer Expenditure Survey, 1999



**Emerging neighborhood markets  
concentrated in America**

Source: Consumer Expenditure Survey (1999)

# Emerging Neighborhood Market Opportunity

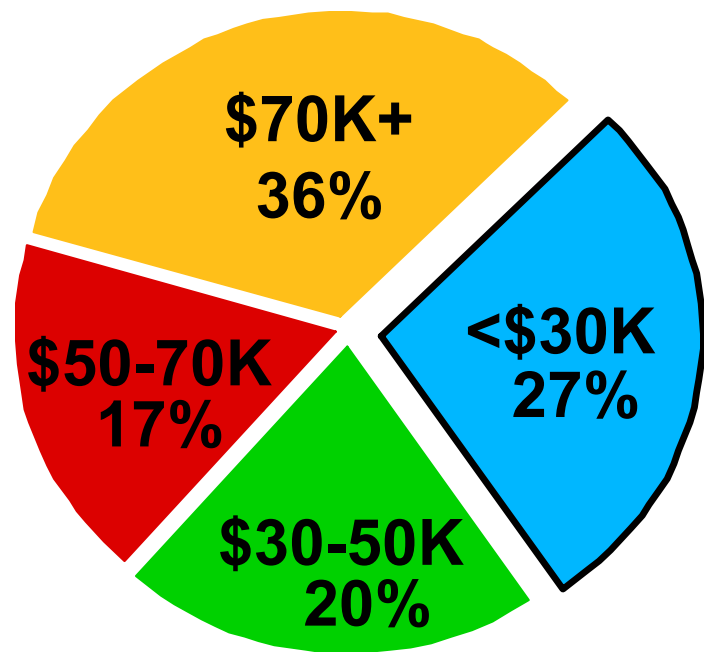
## Income      **Consumer Spending**

**< \$30K      \$ 849 Billion**

**\$ 30-50K      \$ 625 Billion**

**\$ 50-70K      \$ 533 Billion**

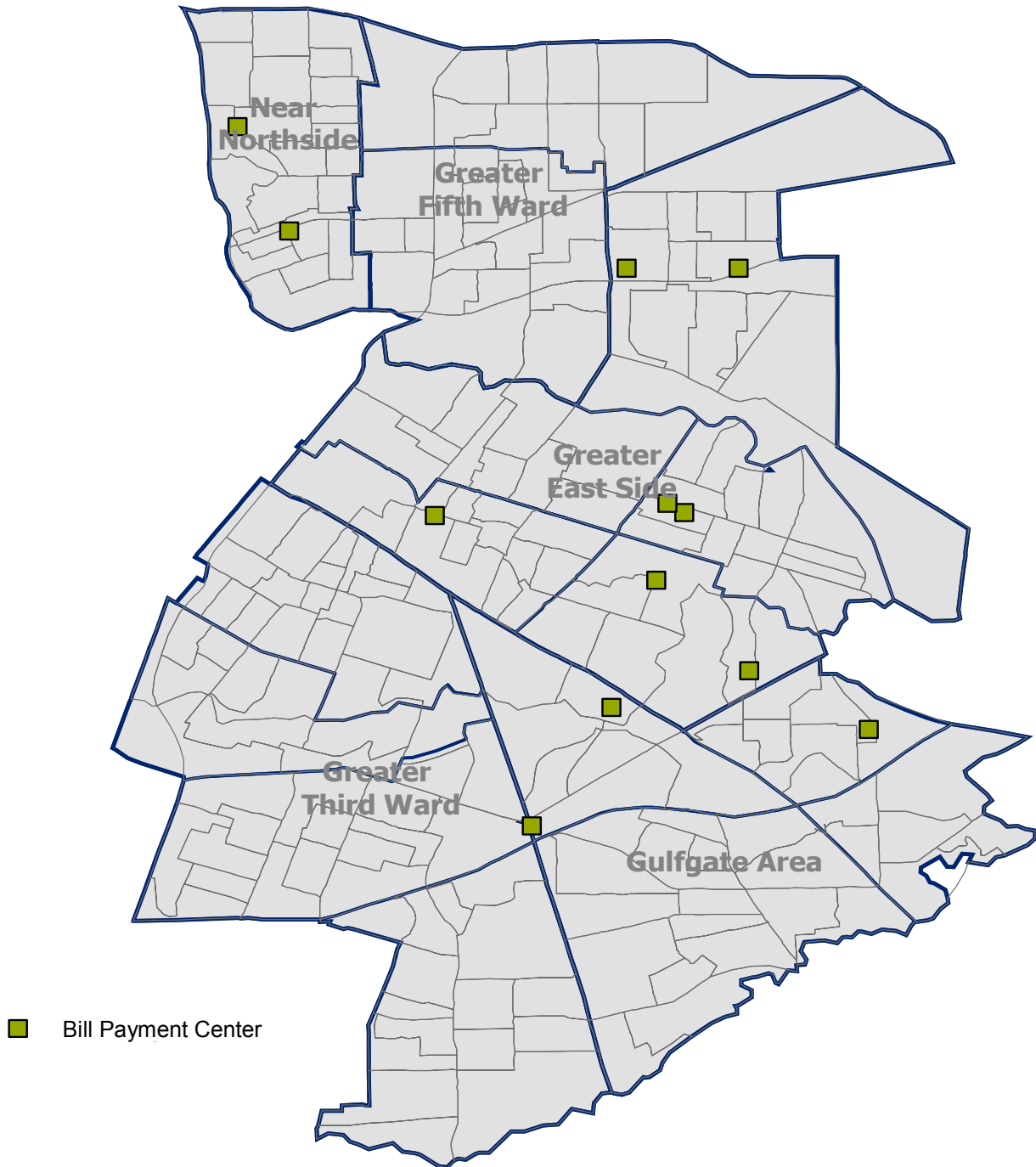
**\$ 70K+      \$ 1.1 Trillion**



Source: Consumer Expenditure Survey (1999)

# Houston

## Bill Payment Centers

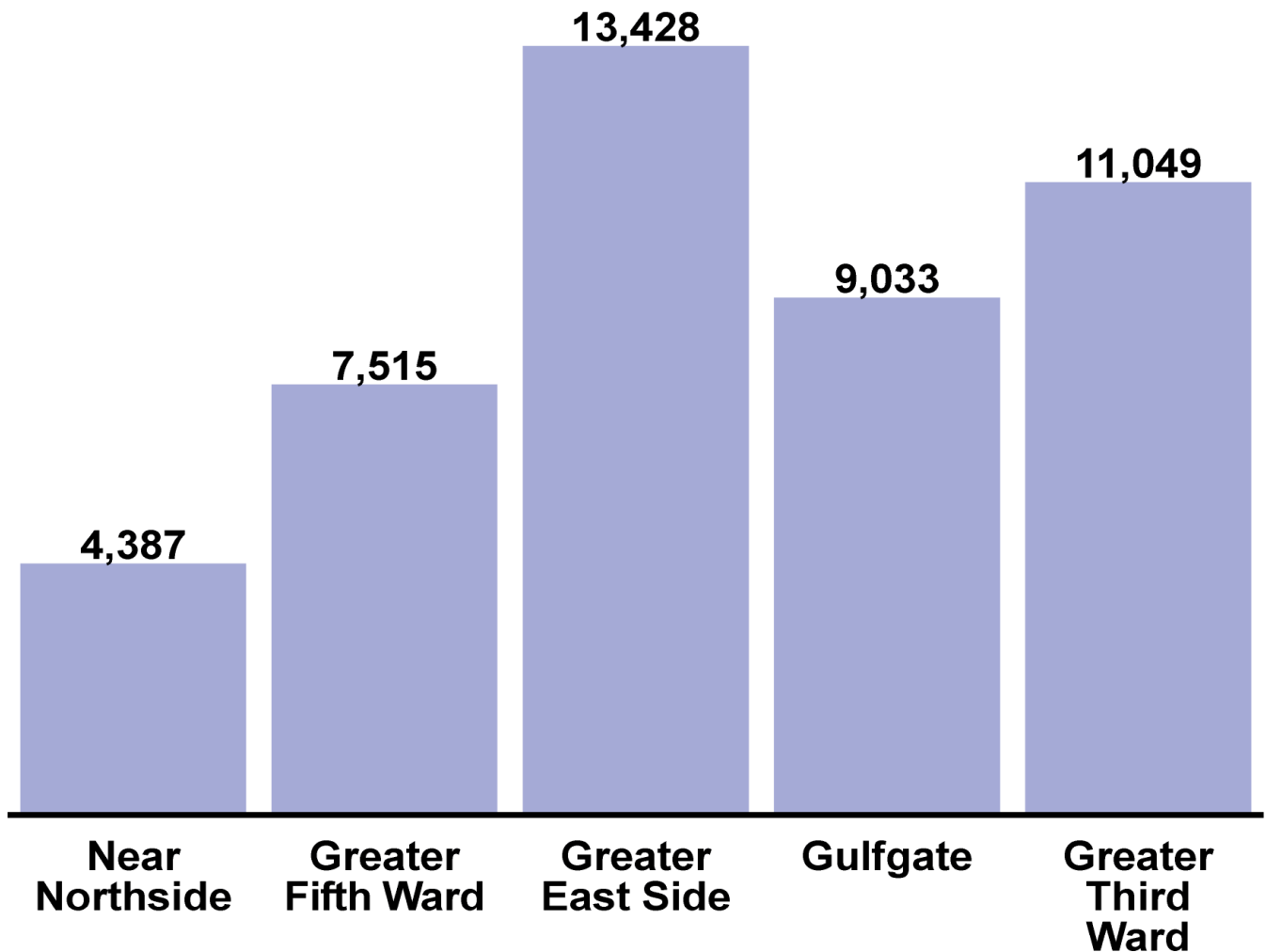


**12 total bill payment centers**



# Houston

Households without documented banking relationship by group

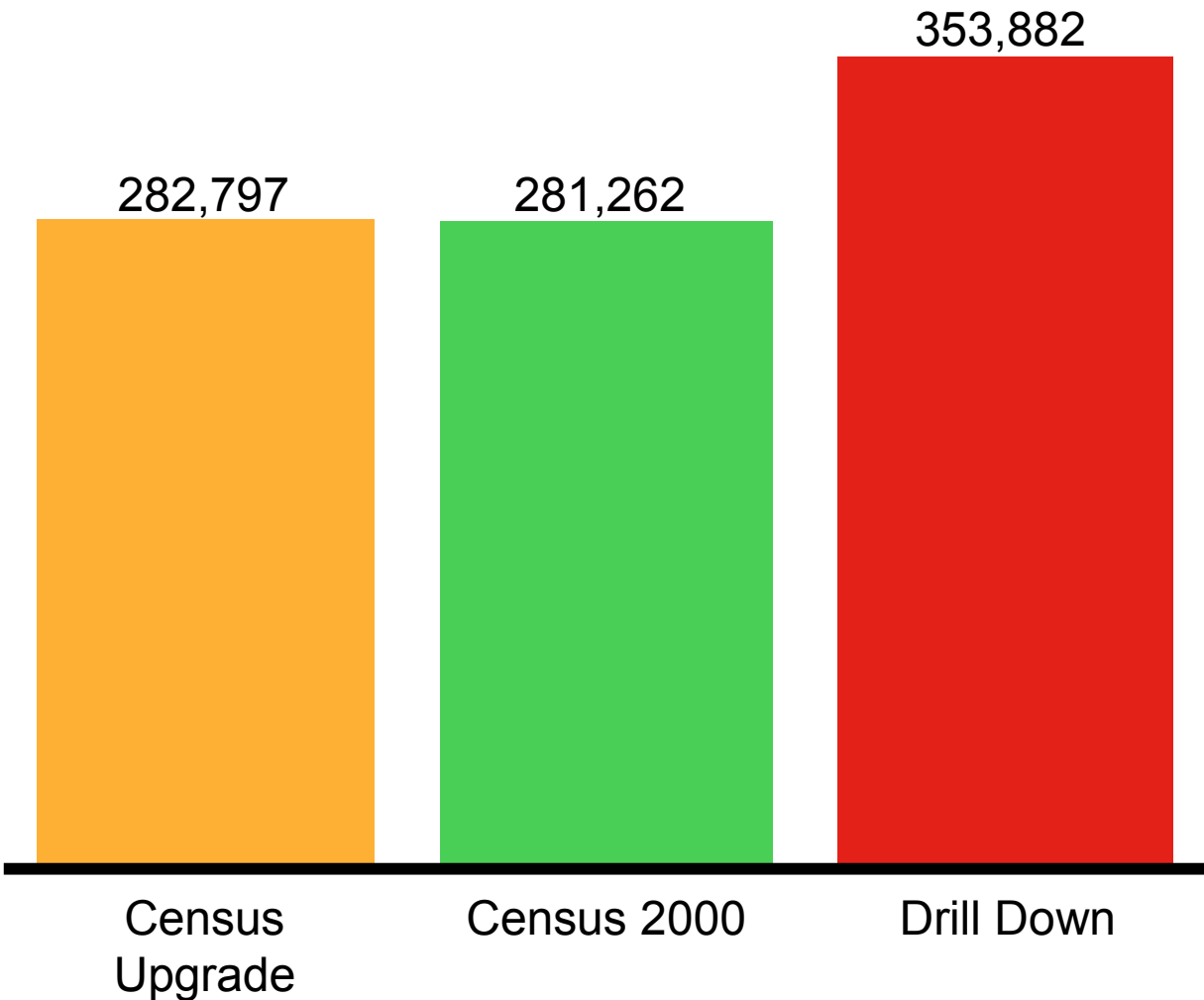


\*An additional 10,846 households with undocumented credited histories and no banking relationship were uncovered by the Drill Down

# Population

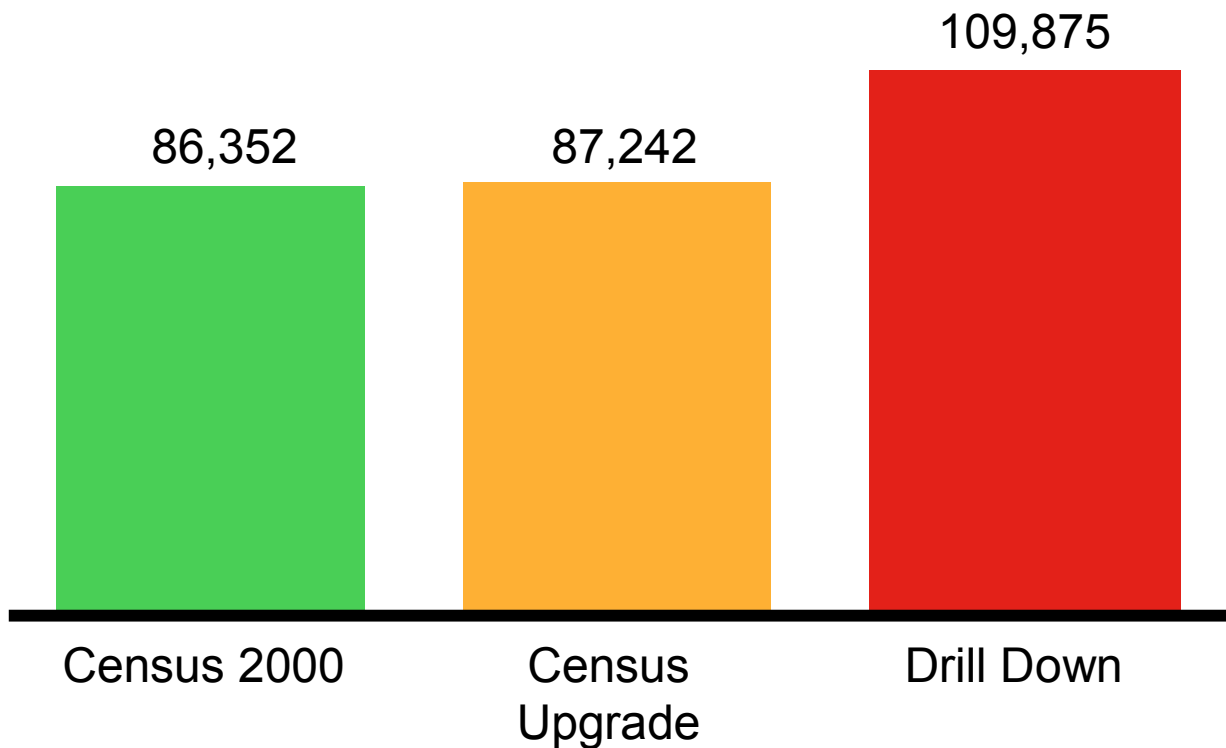
# Houston

Population 2000 (Combined Drill Down Market)



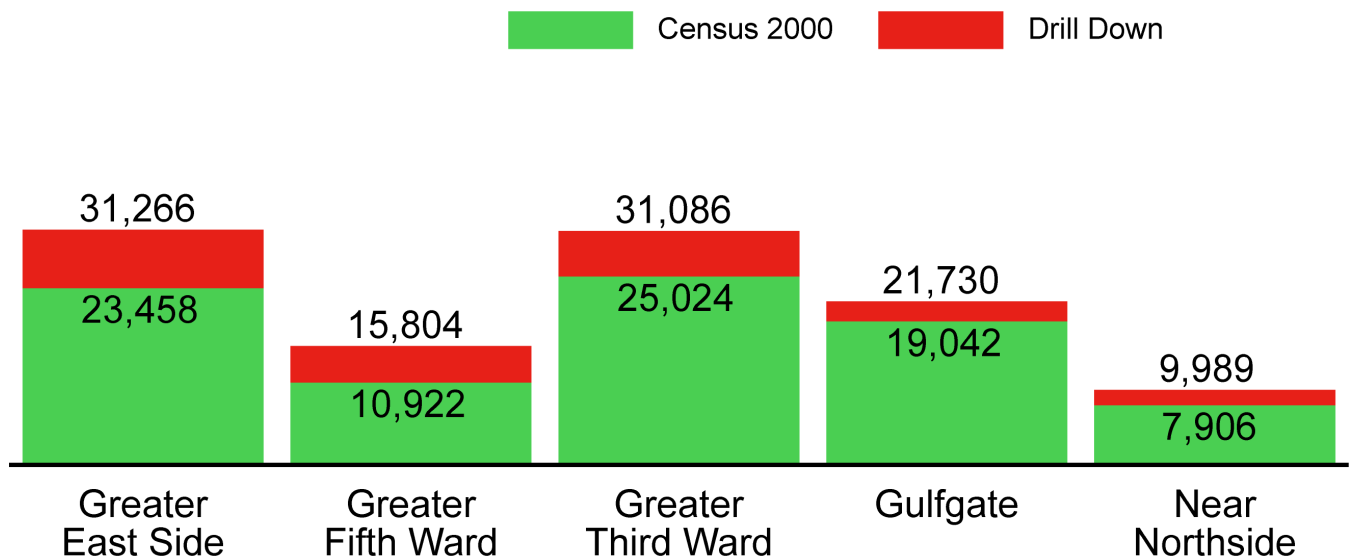
# Houston

Households 2000 (Combined Drill Down Market)



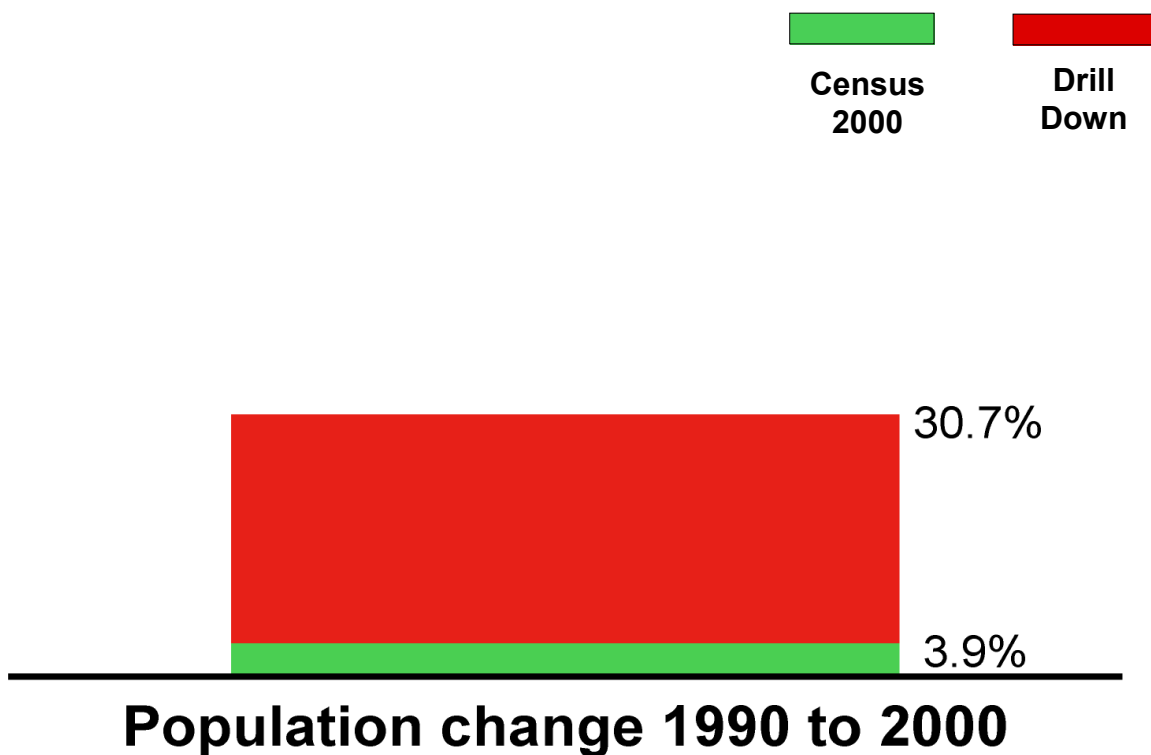
# Houston

## Households 2000 by group



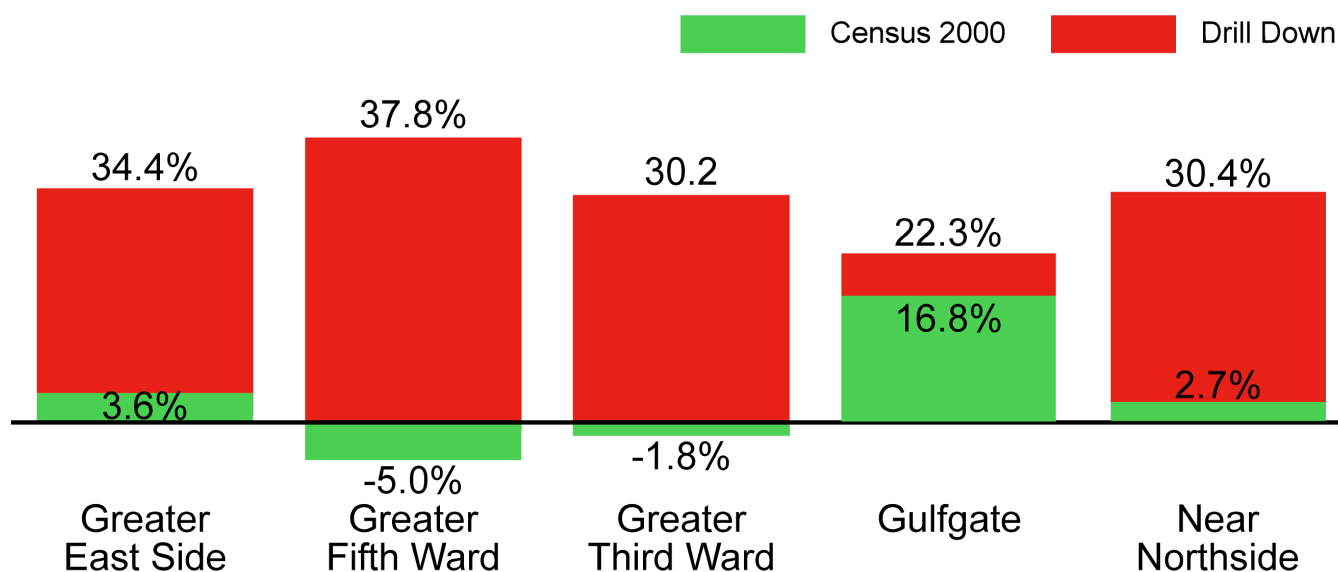
# Houston

Growth/change in population (% change from Census 1990)



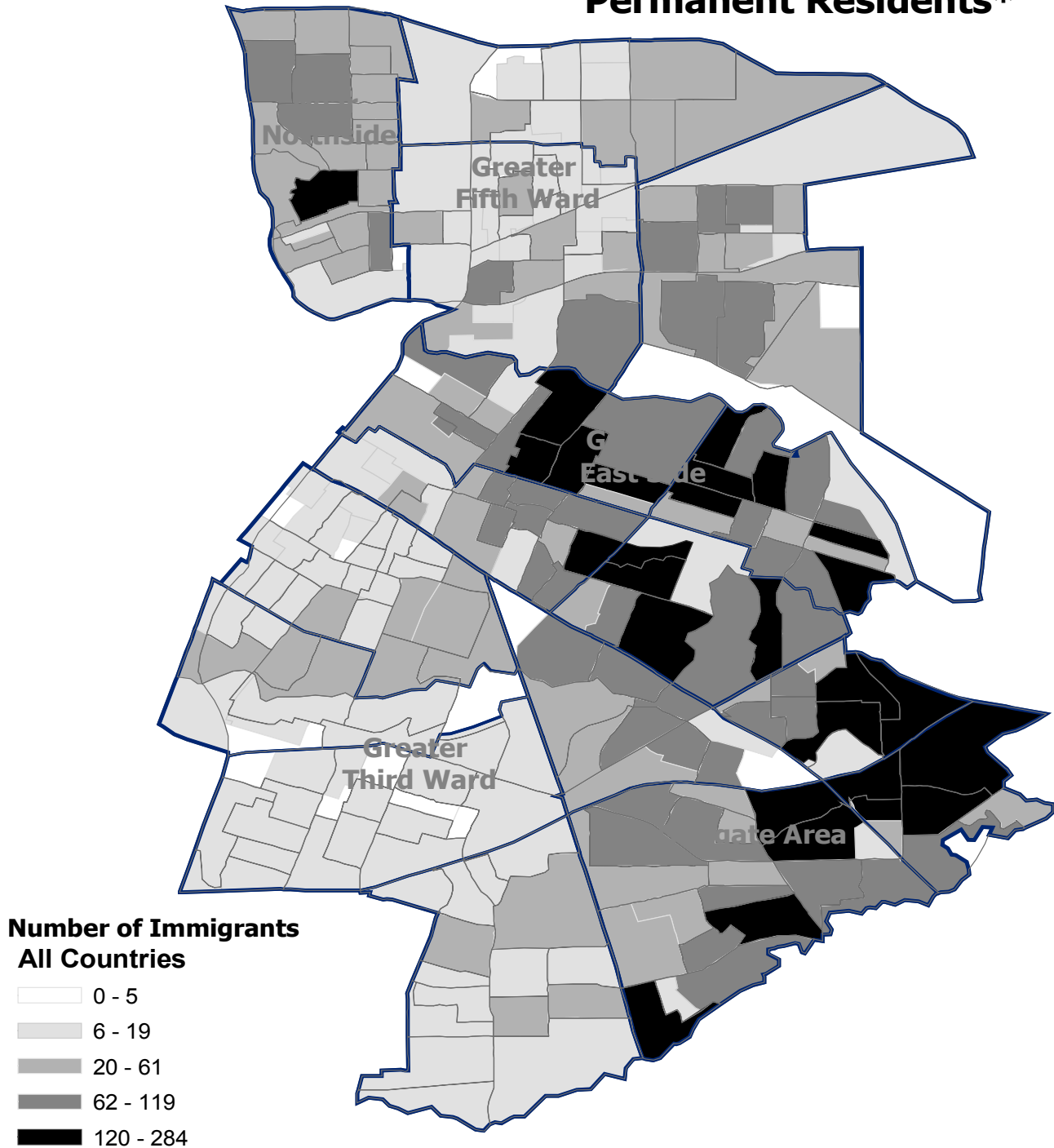
# Houston

Change in population by group (% change from Census 1990)



# Houston

## INS Data: Total Immigrants Admitted to the U.S. as Legal Permanent Residents\*



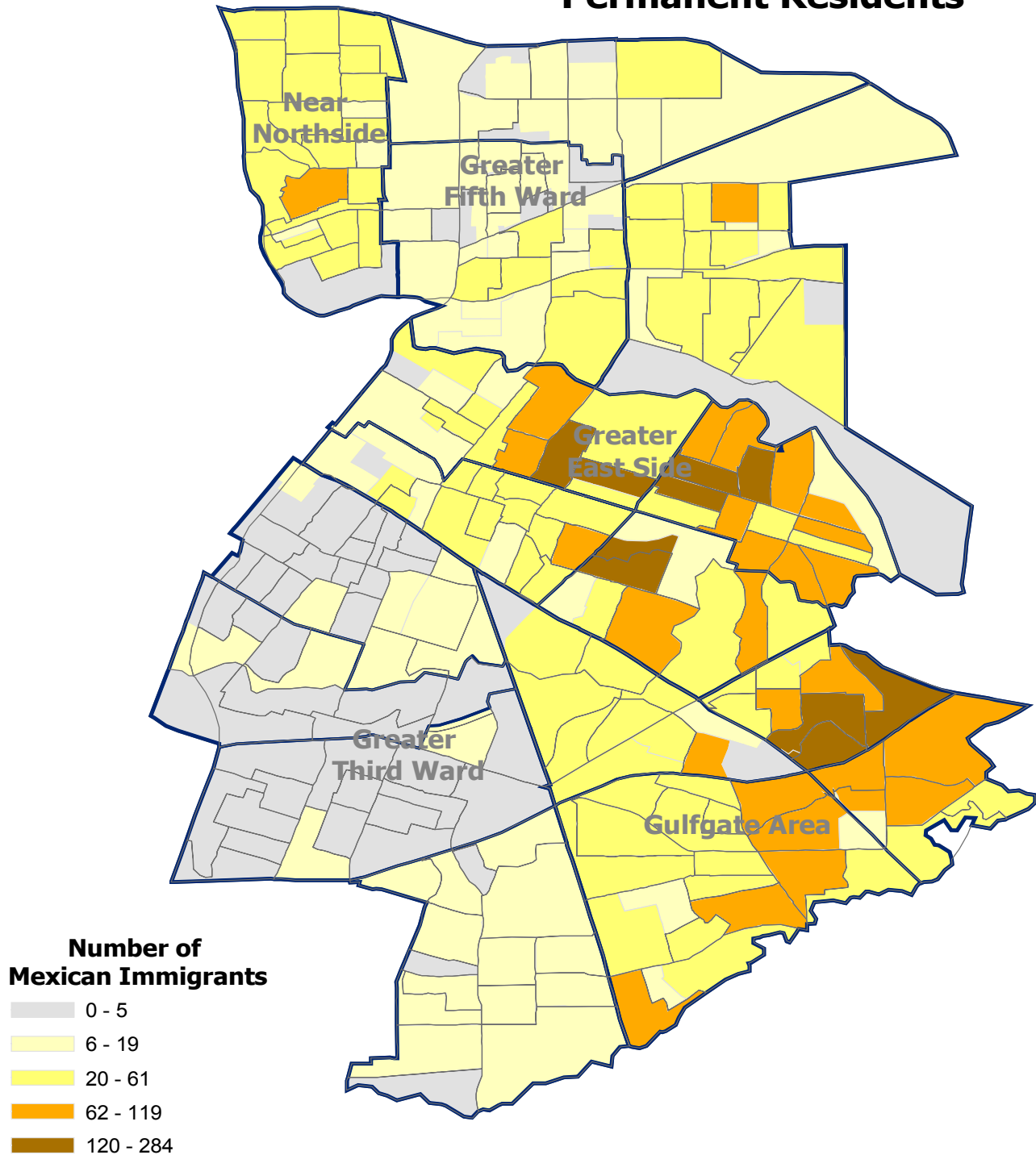
**12,167 total immigration**

**\*FY1990 -FY1998**



# Houston

## INS Data: Mexican Immigrants Admitted to the U.S. as Legal Permanent Residents\*

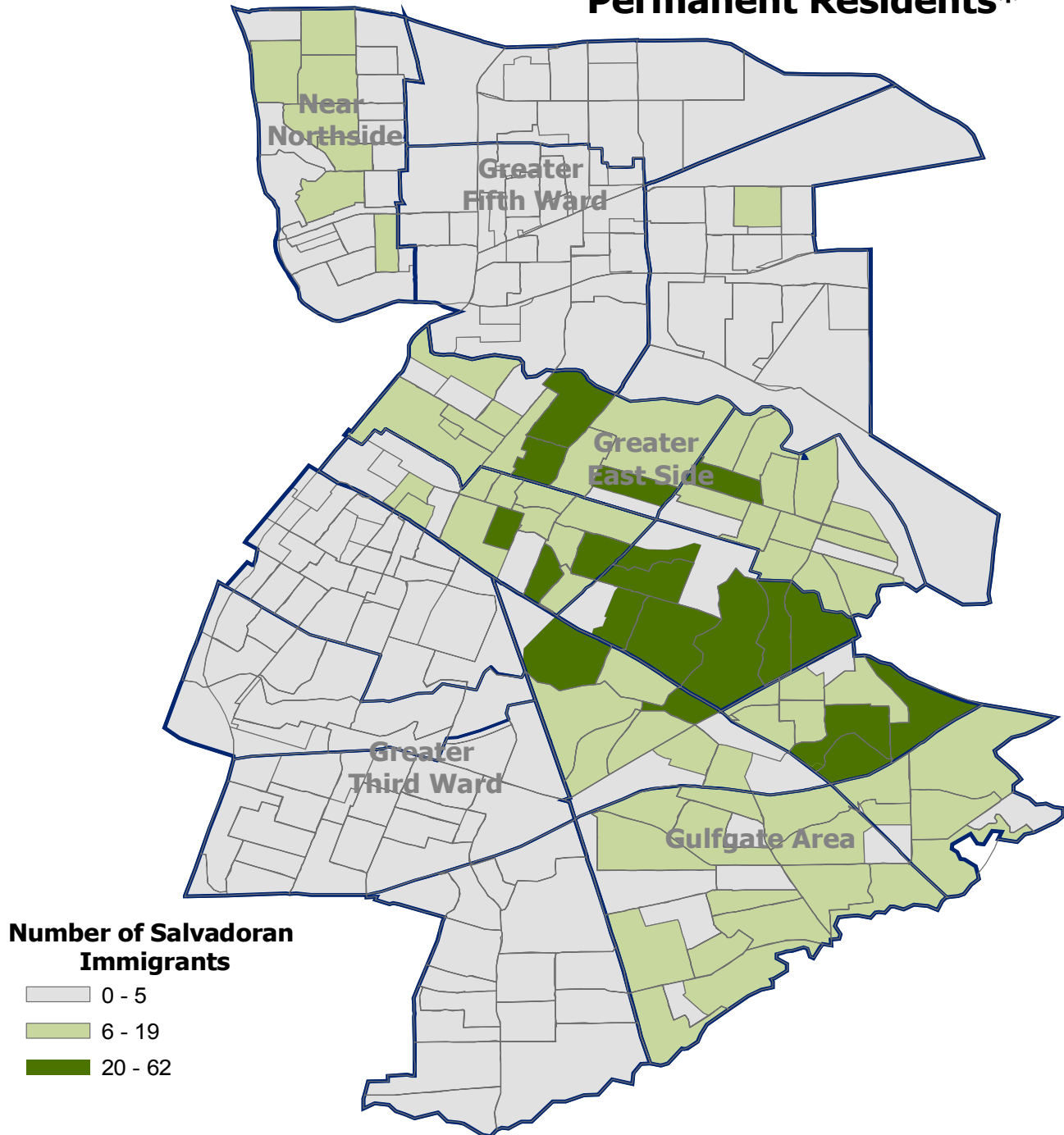


**8,037 total immigration from Mexico**

**\*FY1990 -FY1998**

# Houston

## INS Data: Salvadoran Immigrants Admitted to the U.S. as Legal Permanent Residents\*




1,559 total immigration from El Salvador

\*FY1990 -FY1998

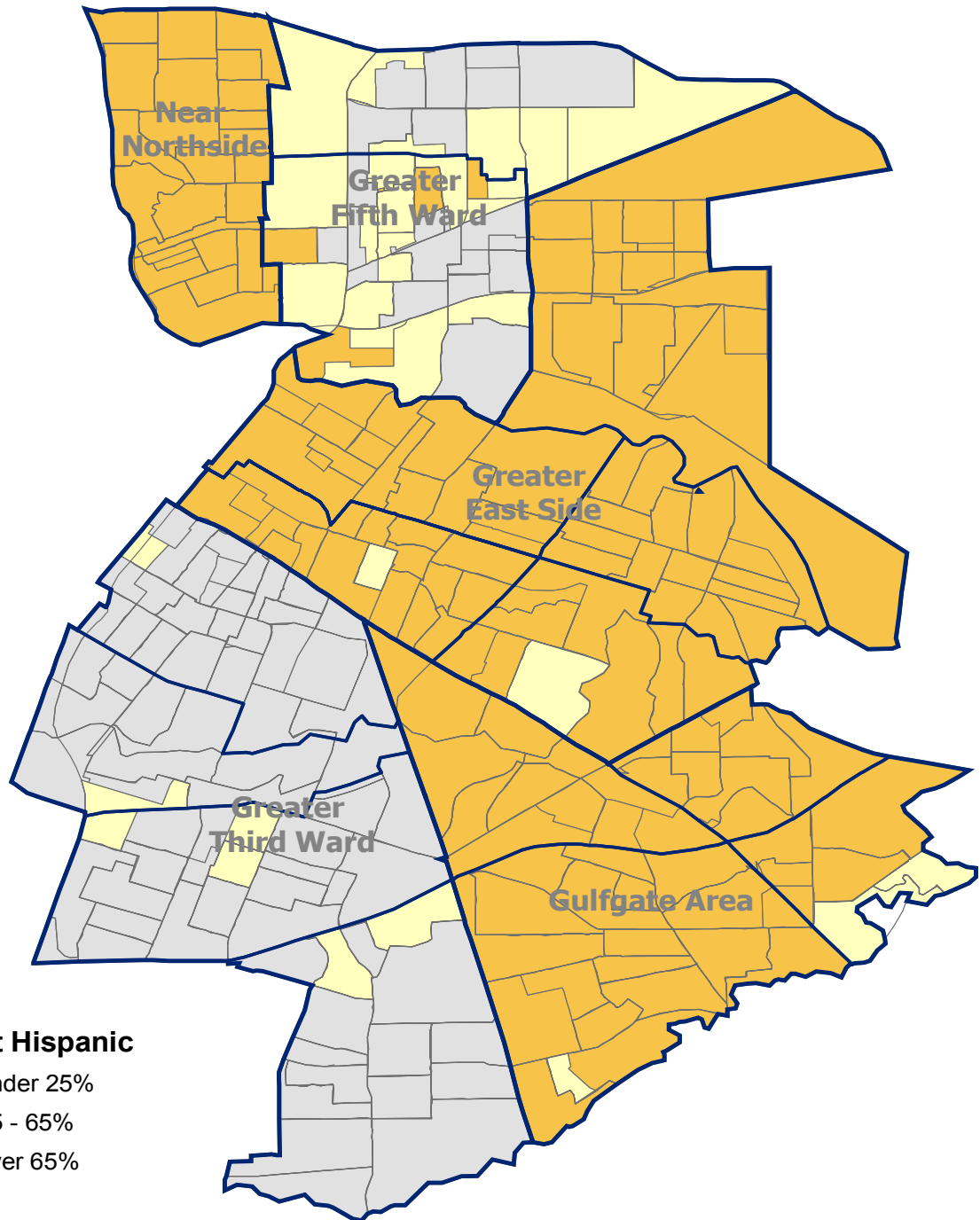
# Houston

Census Hispanic undercount estimate in Drill Down market

- Drill Down population = 354,000
- 60% Hispanic (Census 2000 estimate) = 212,400
- INS documented immigrants (1990-2000) = 15,200
- 15%  31,860
- Undercount = 16,660

# Houston

## Drill Down Hispanic Population



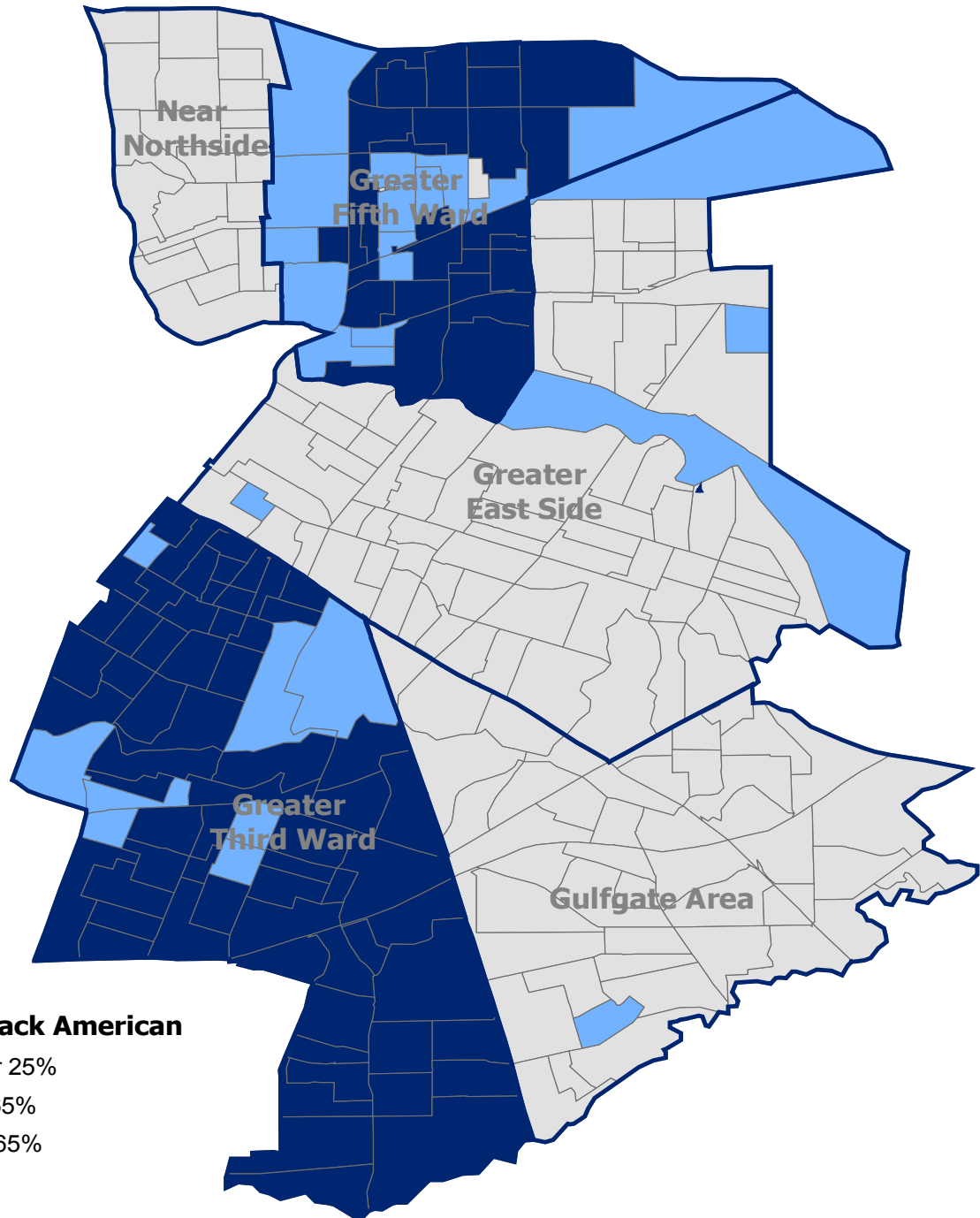
### Percent Hispanic

- under 25%
- 25 - 65%
- over 65%

353,882 total population

# Houston

## Drill Down Black American Population



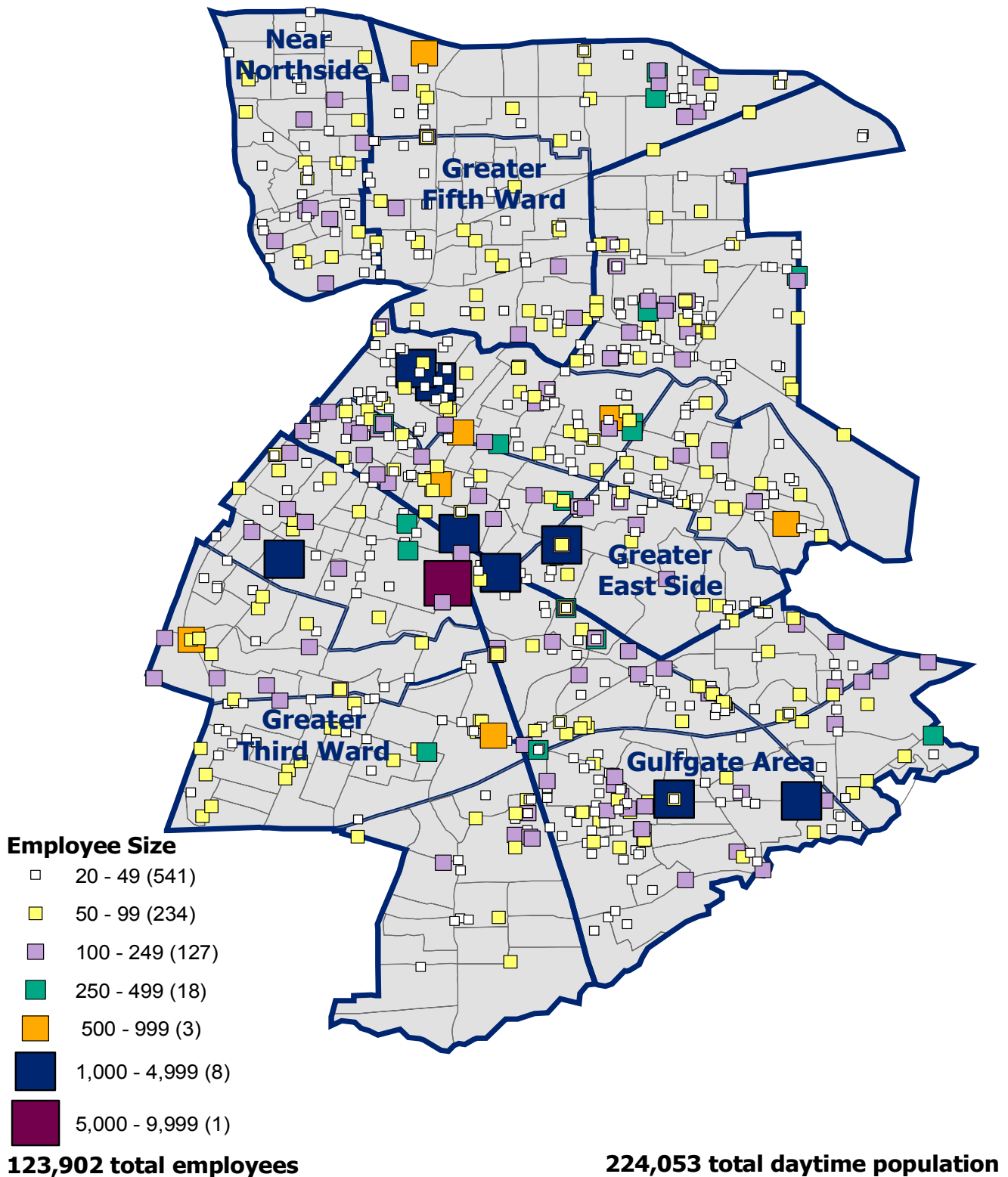
### Percent Black American

- under 25%
- 25 - 65%
- over 65%

282,797 total population

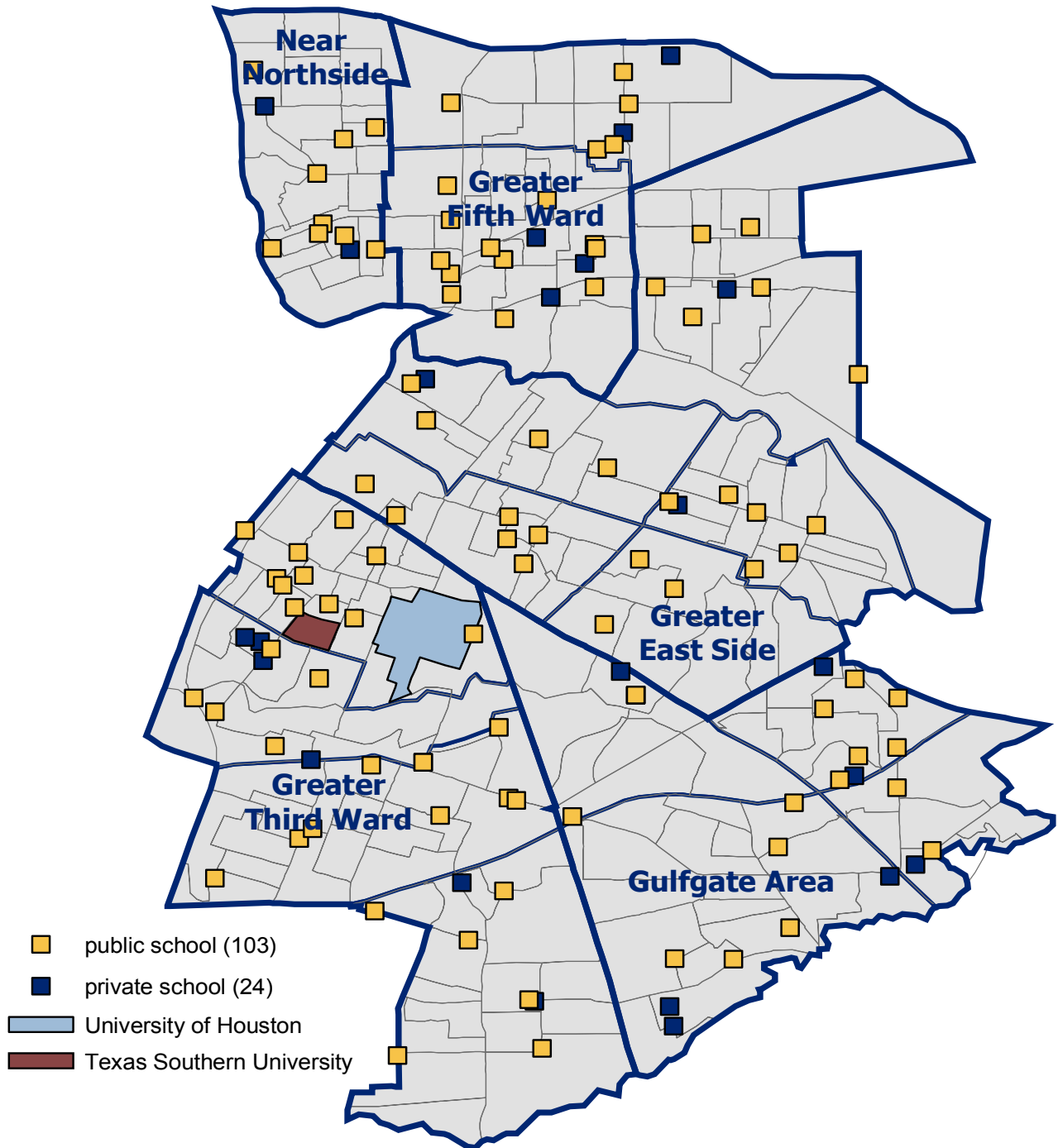
# Houston

## Major Business Employers



# Houston

## Schools



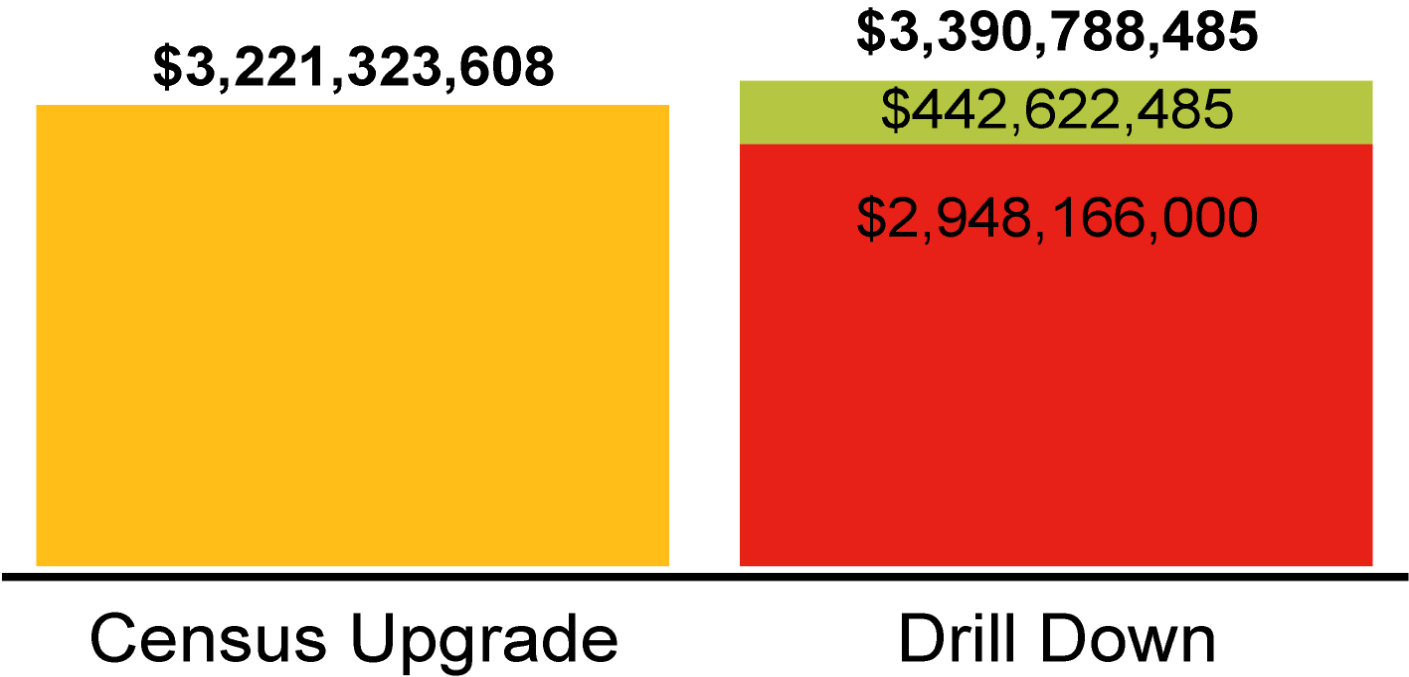
**224,053 total daytime population**  
**37,423 total university students**  
**62,728 total elementary and high school students**

# Buying Power



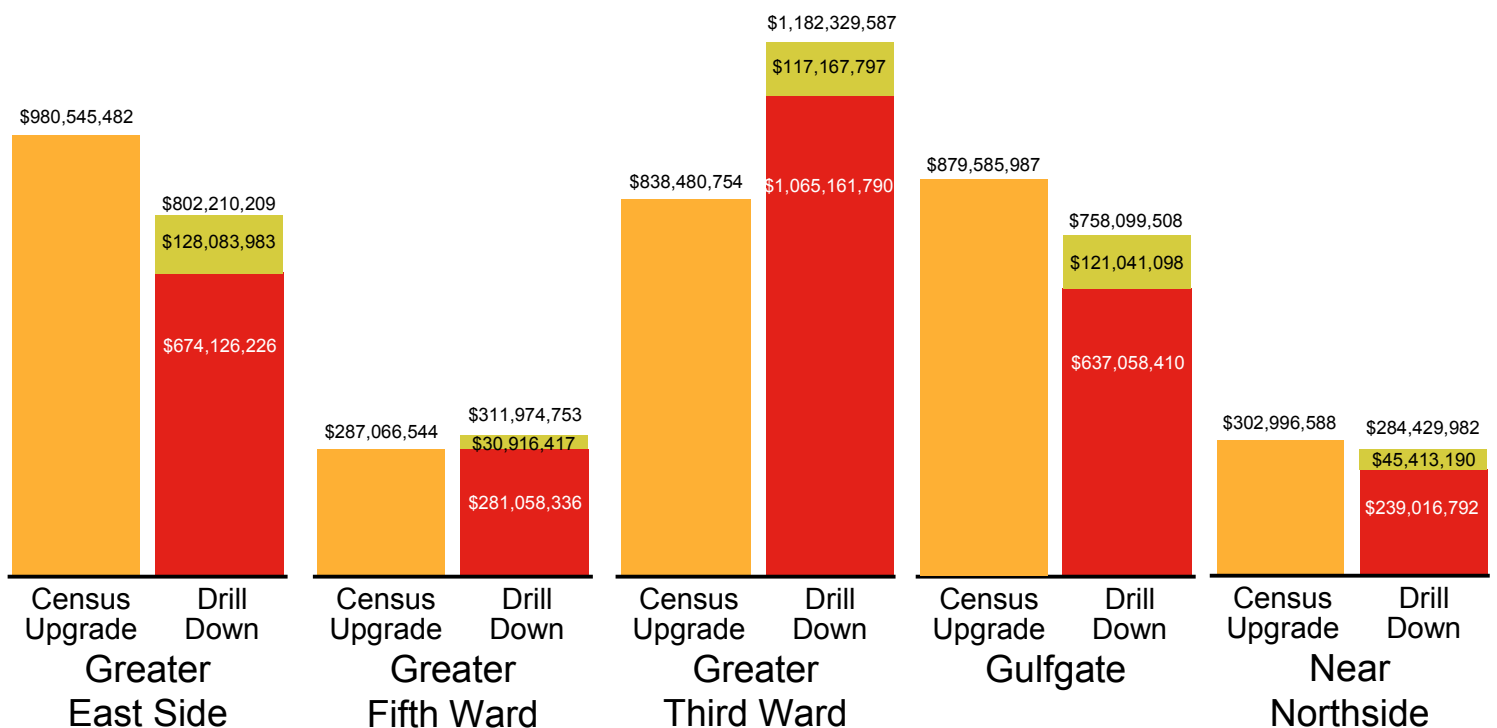
# Houston

Aggregate expenditure capacity (Combined Drill Down market)



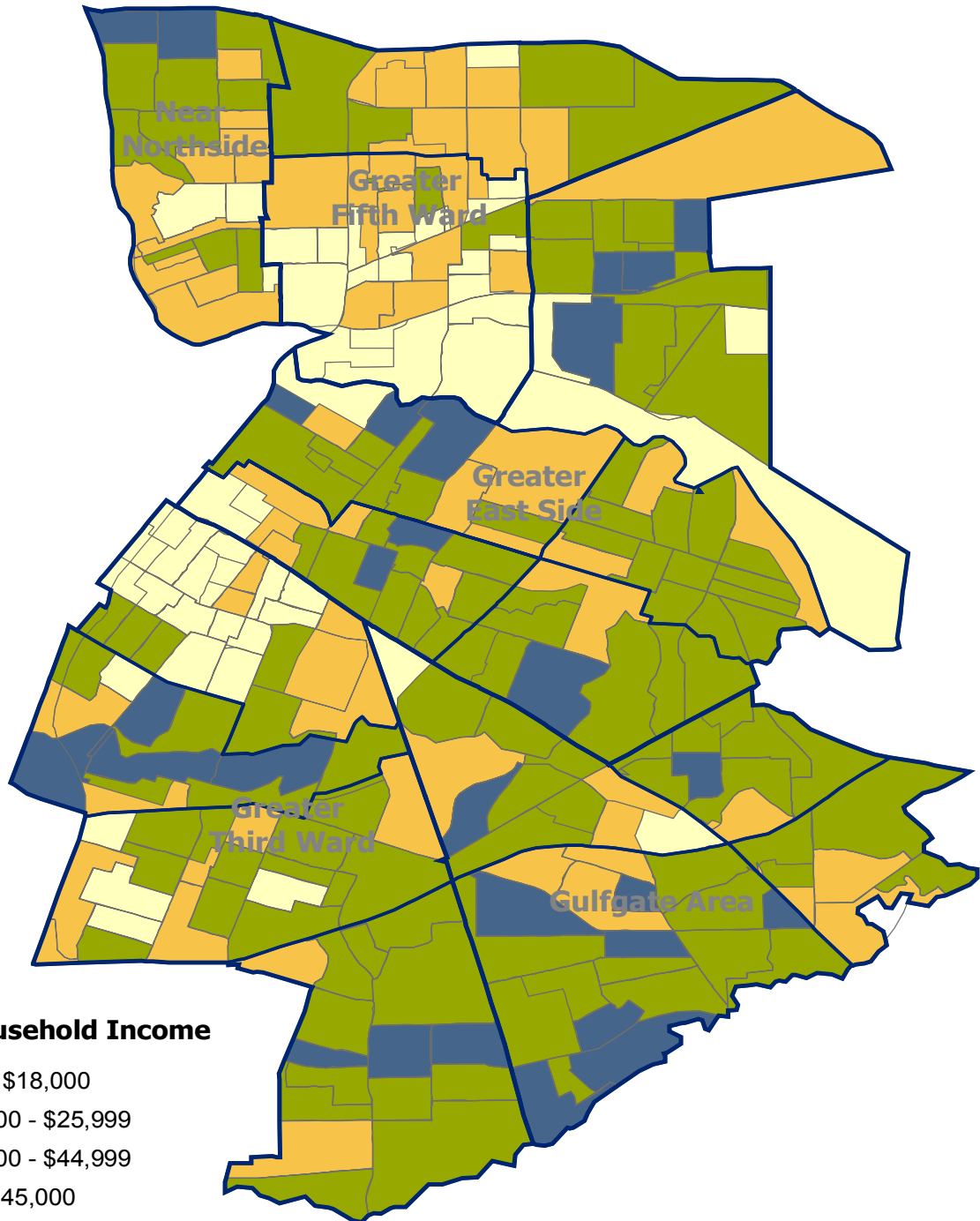
# Houston

## Aggregate expenditure capacity by group



# Houston

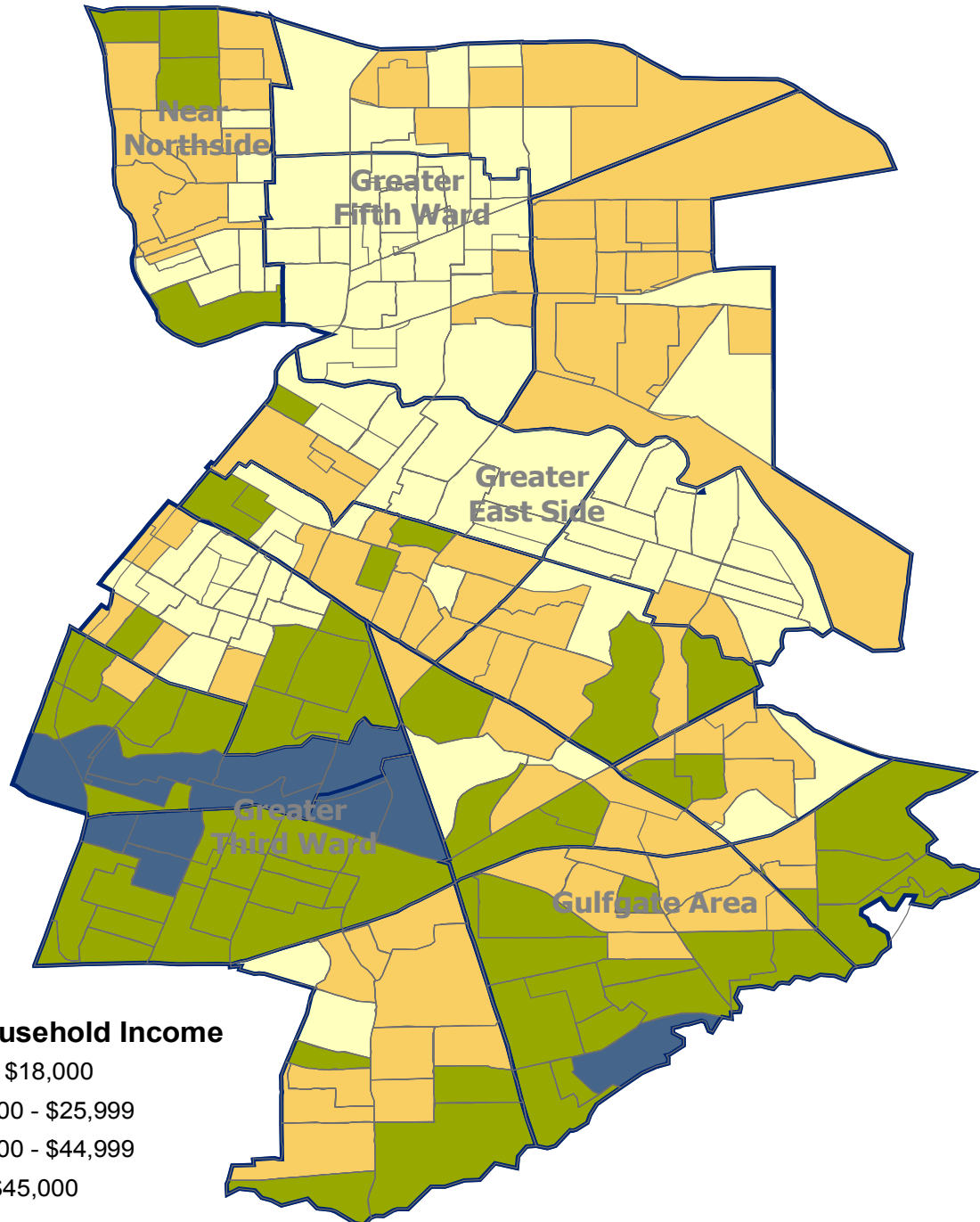
## Claritas Median Household Income



median household income = \$29,340

# Houston

## Drill Down Median Household Income



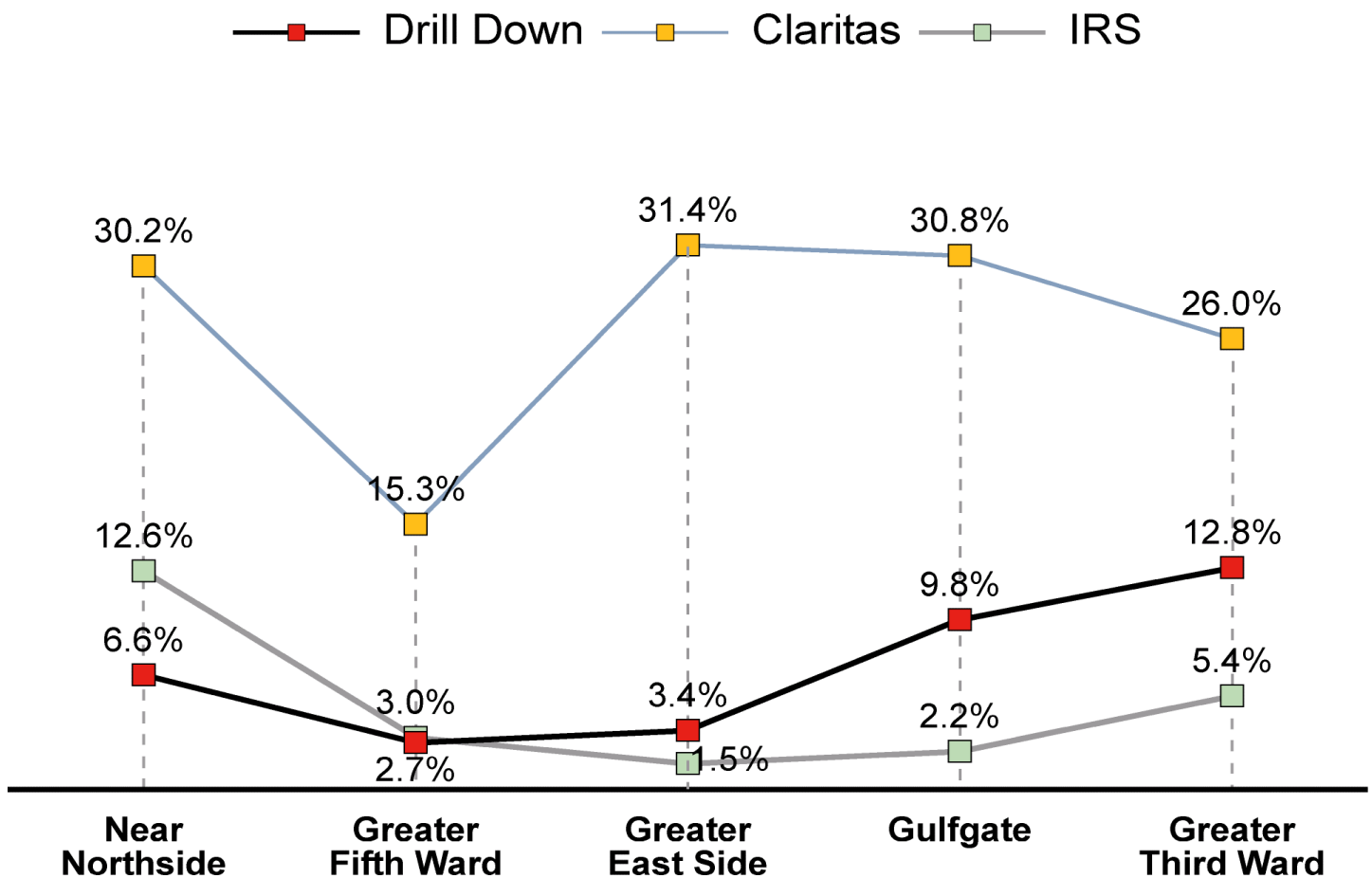
### Median Household Income

- under \$18,000
- \$18,000 - \$25,999
- \$26,000 - \$44,999
- over \$45,000

median income = \$18,171

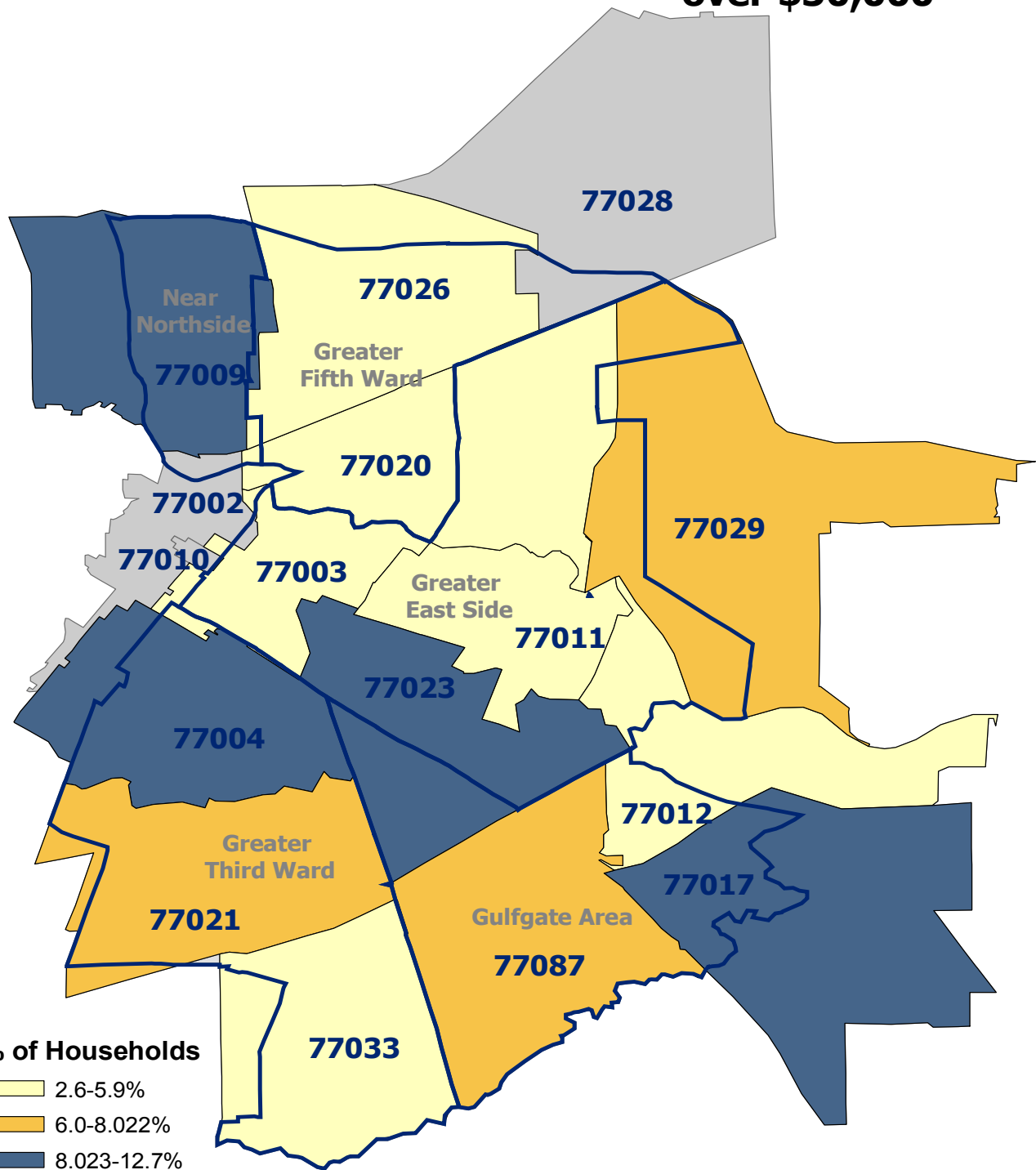
# Houston

Households with incomes over \$50,000 by group



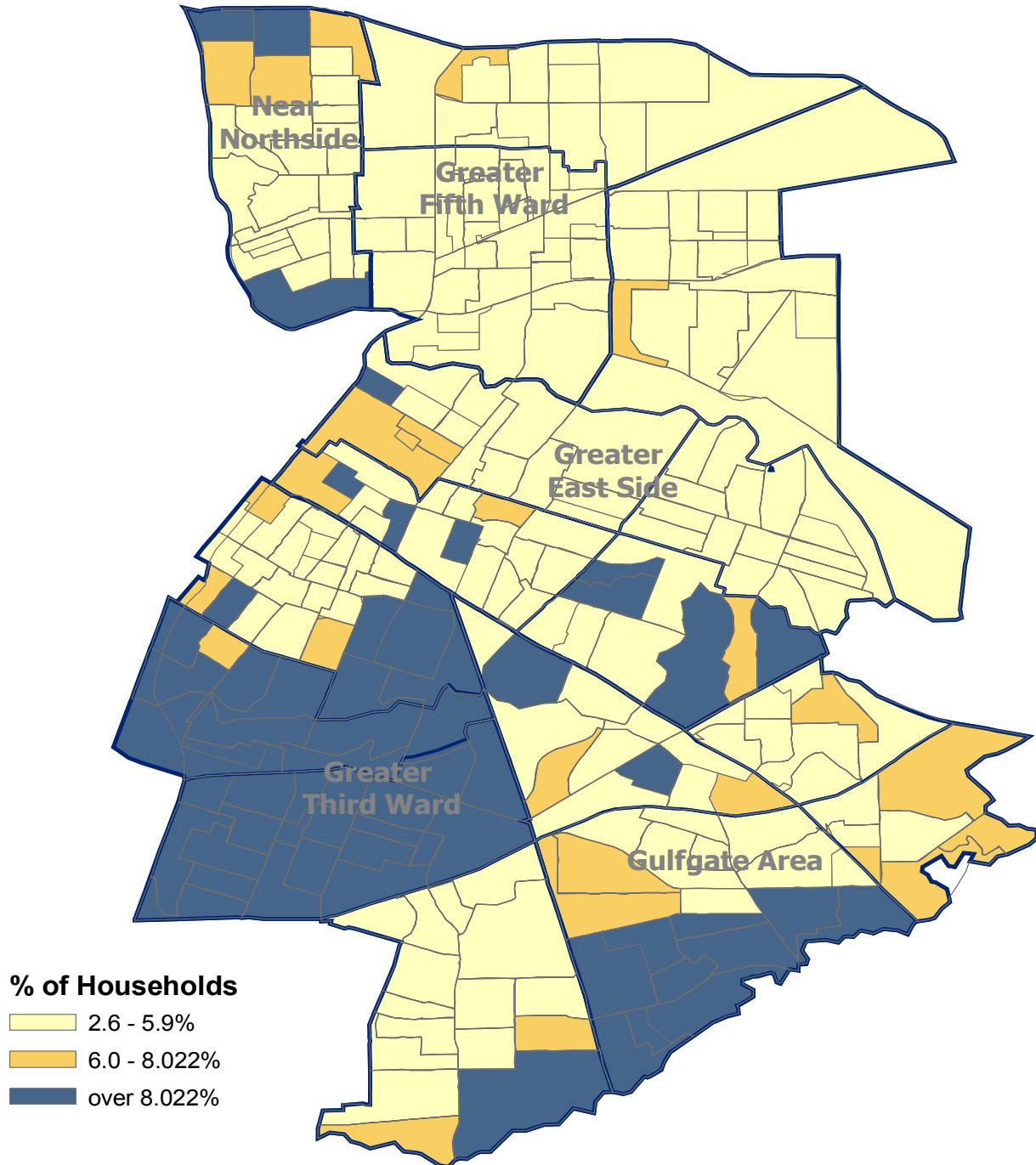
# Houston

## IRS 1998 Data Households with Income over \$50,000



# Houston

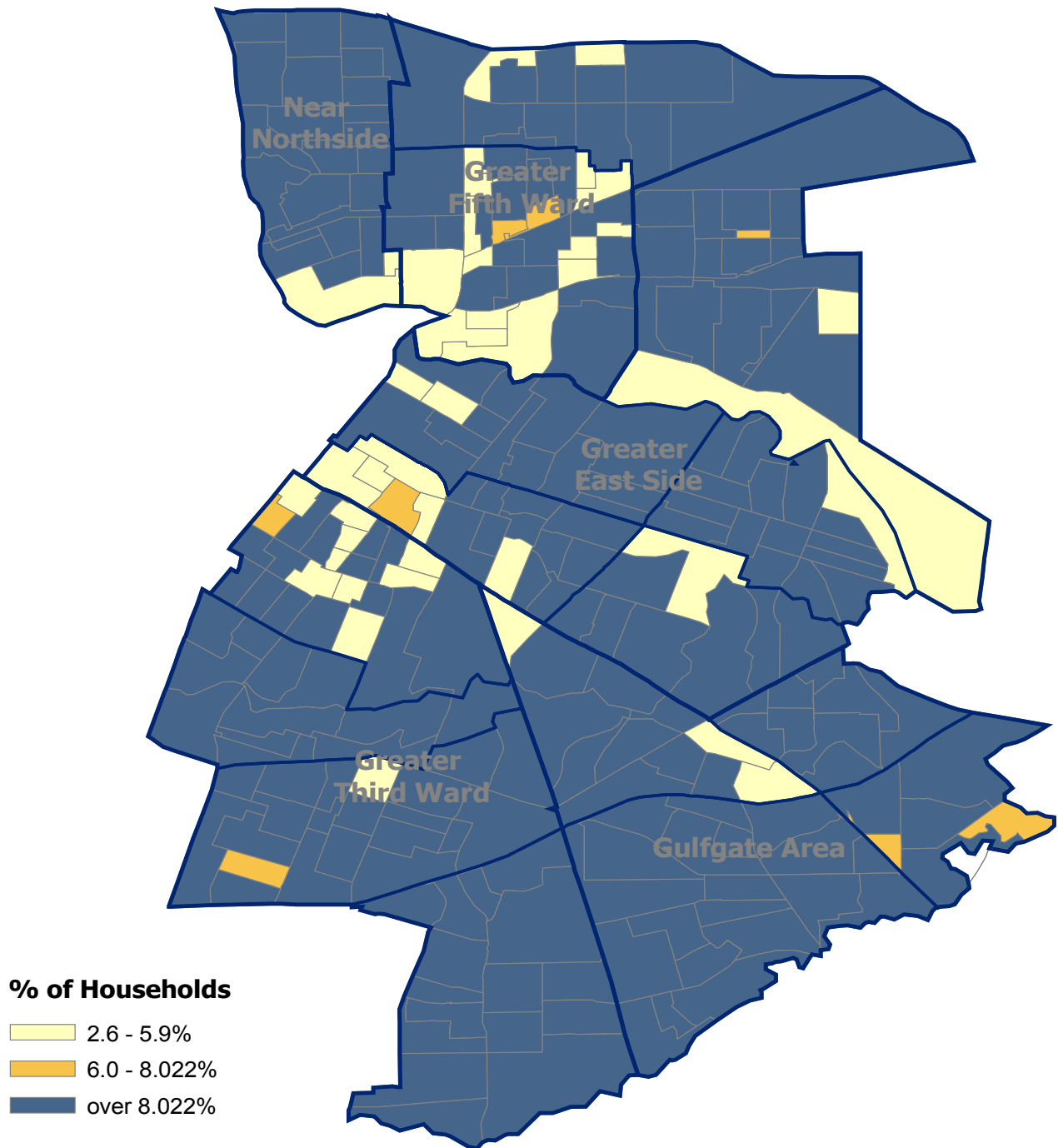
## Drill Down Households with Income over \$50,000



**109,875 total households**

# Houston

## Claritas Households with Income over \$50,000

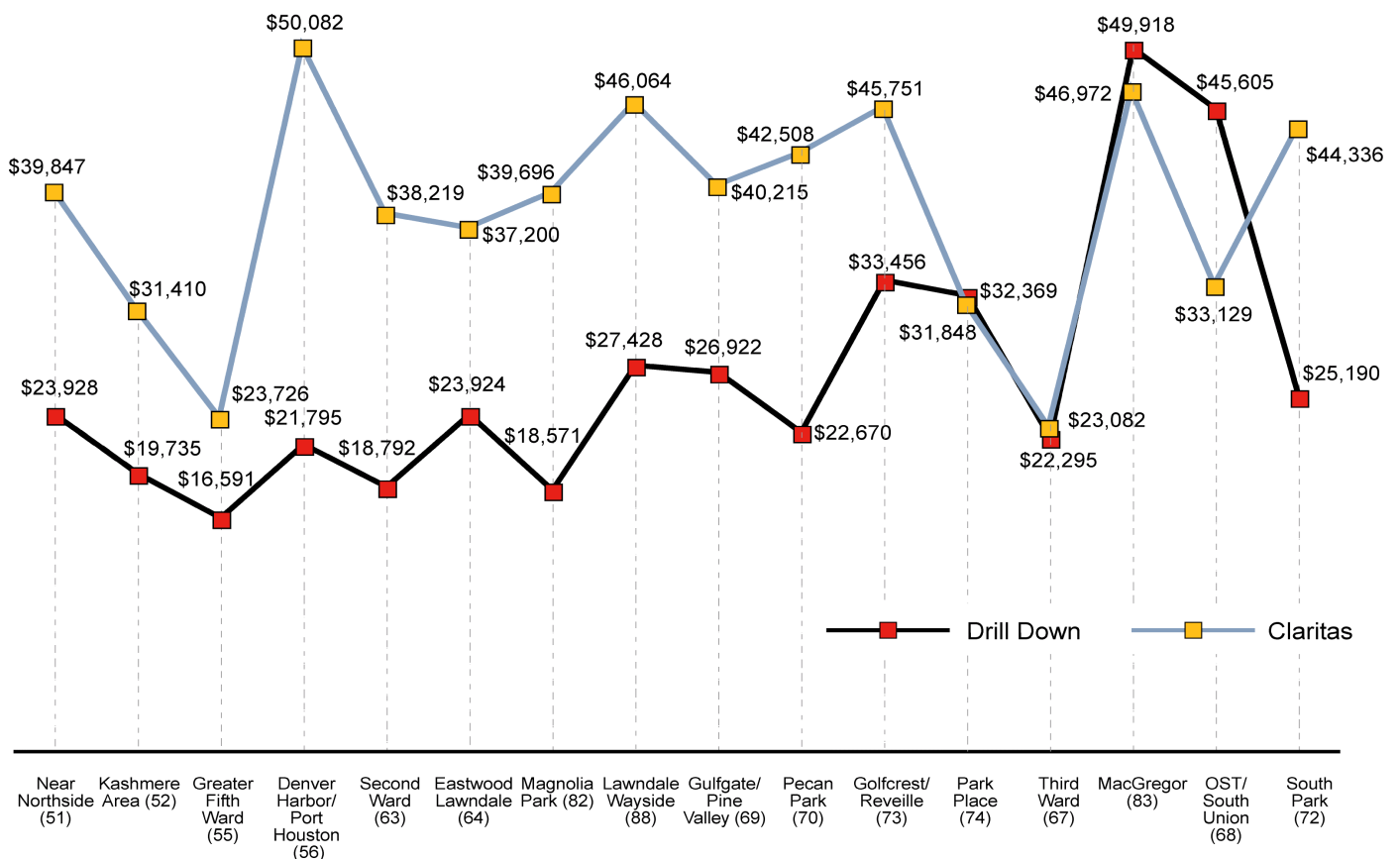


87,242 total households



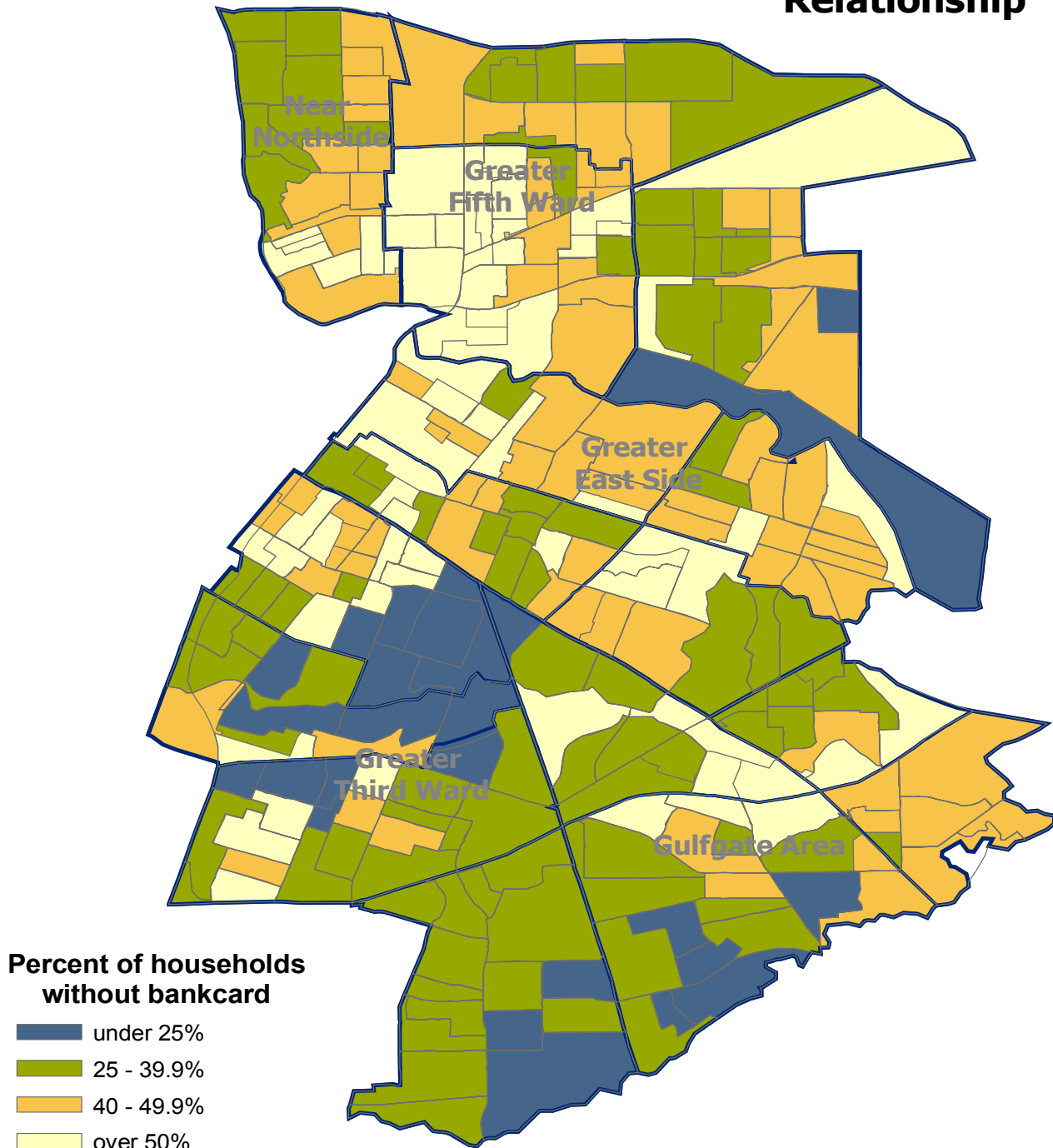
# Houston

## Median household income: Drill Down versus Claritas by Super Neighborhood



# Houston

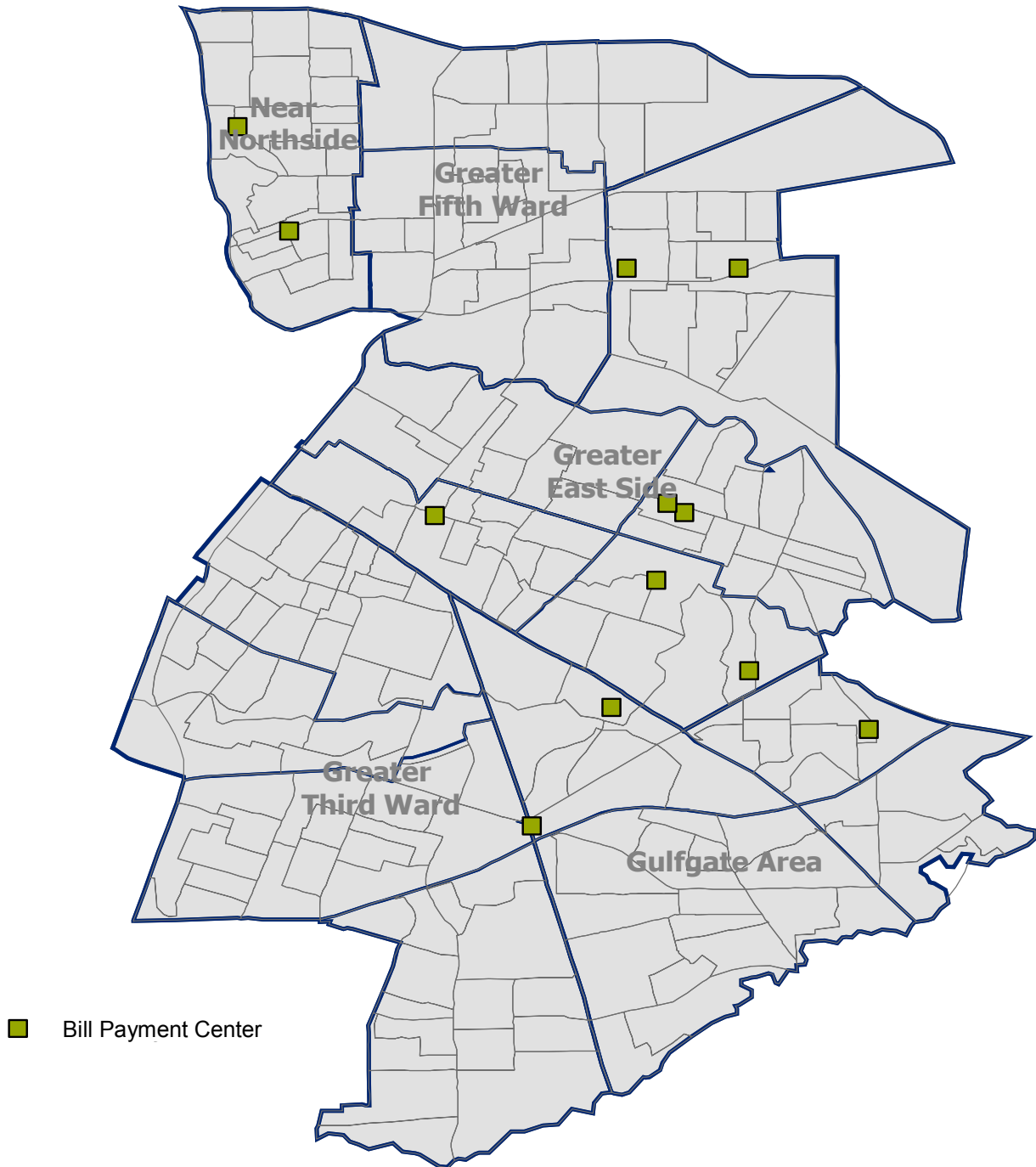
## Drill Down Households with no Banking Relationship



**total number of households with no banking  
relationship = 45,411**

# Houston

## Bill Payment Centers



**12 total bill payment centers**

# Houston

Utility bill payments at bill payment centers in Drill  
Down market

**Bills paid in cash in 2000:**

**\$9,504,468.88**

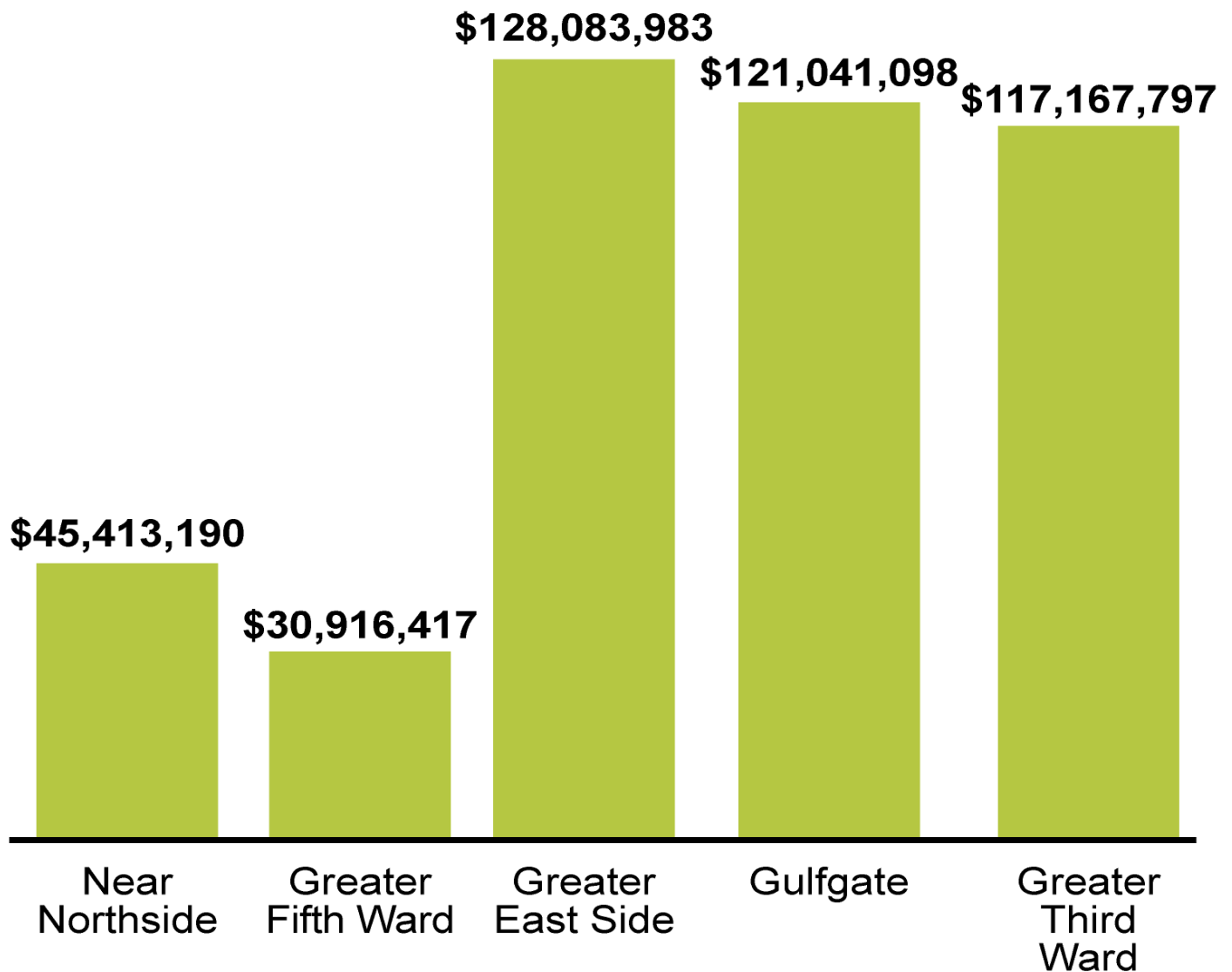
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**Bills paid by check in 2000:**

**\$2,452,775.71**

# Houston

Cash economy by group (\$443 Million)



# Houston

## Drill Down Neighborhoods

Households per acre

3

Households per  
**residential** acre

7.2

Income per acre

**\$110,772**

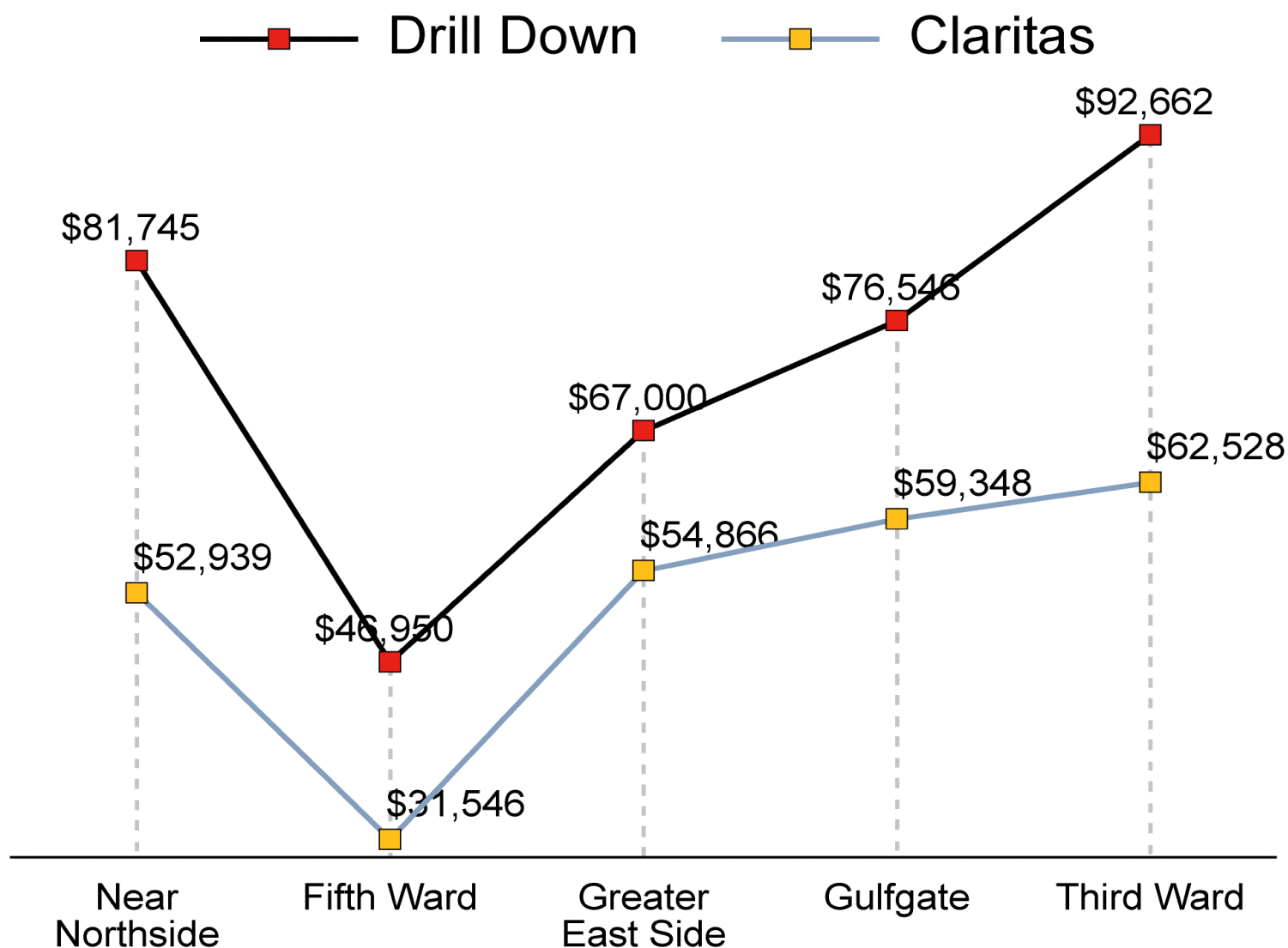
Income per  
**residential** acre

**\$223,192**

# Home Sales Values

# Houston

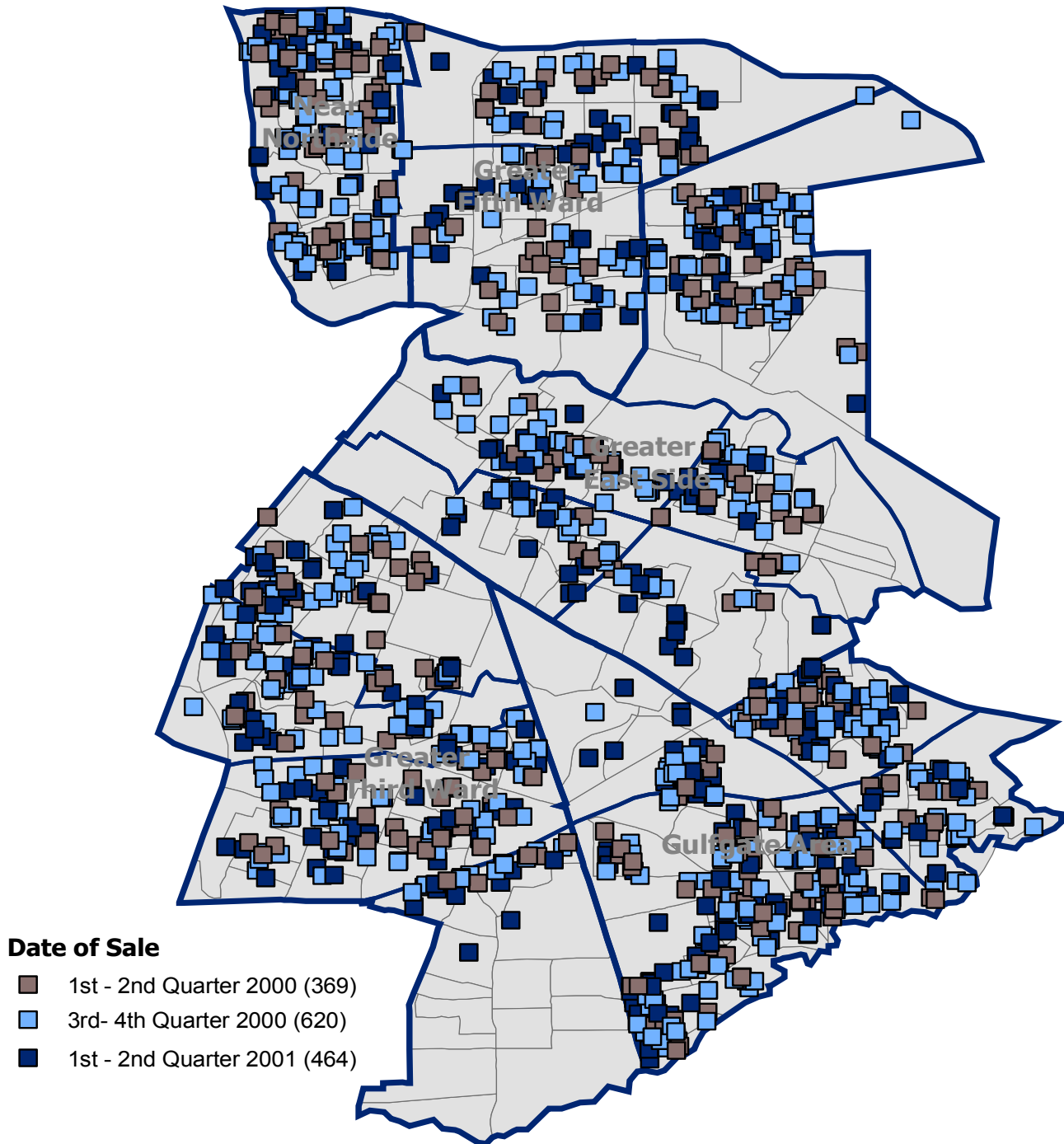
Median home values: Drill Down versus Claritas by group





# Houston

## Single Family Home Sales Jan 2000 - June 2001



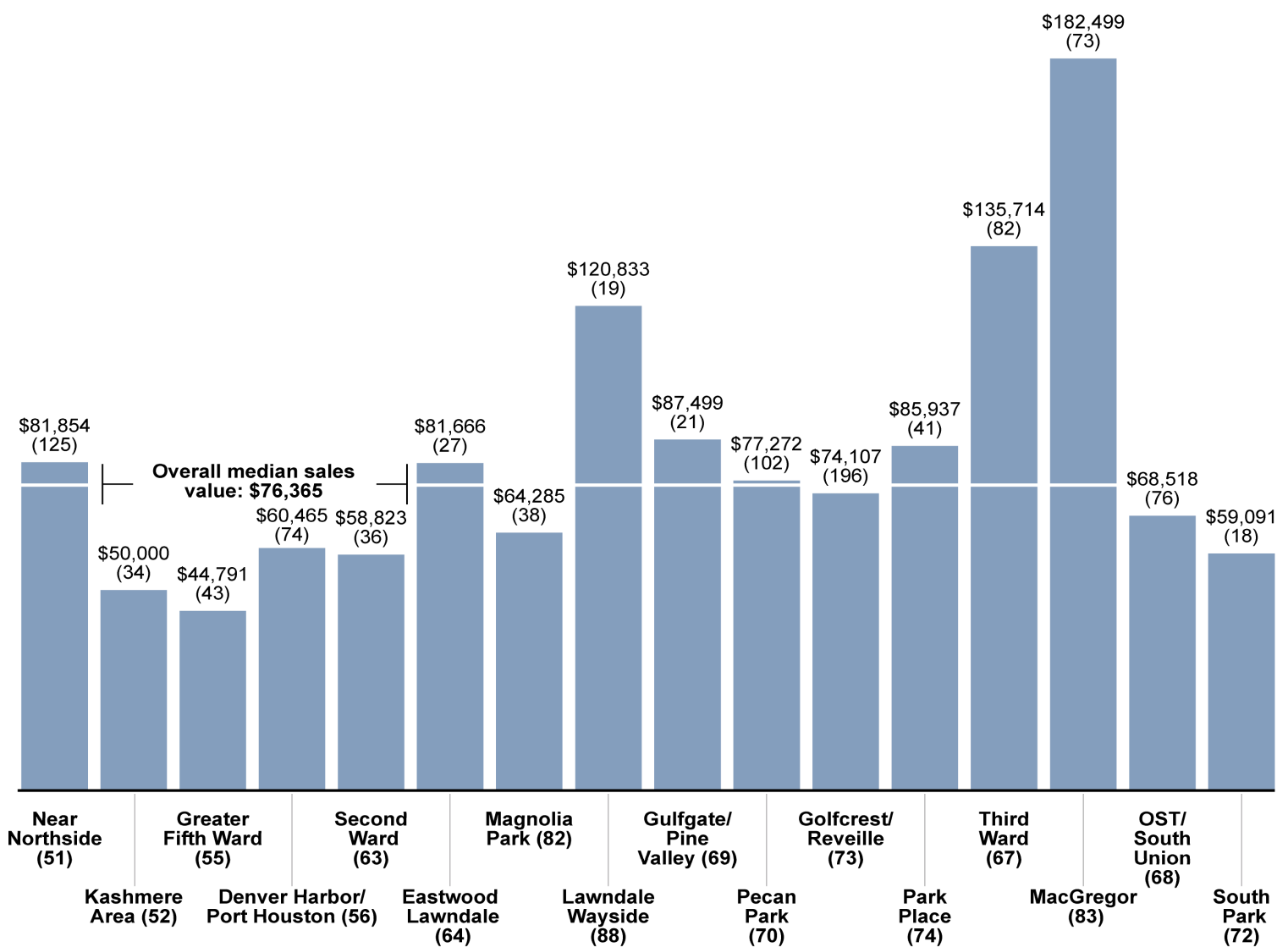
**1,453 total single family home sales**

# Houston

## Single family home sales

Number of single family home sales by group in parenthesis

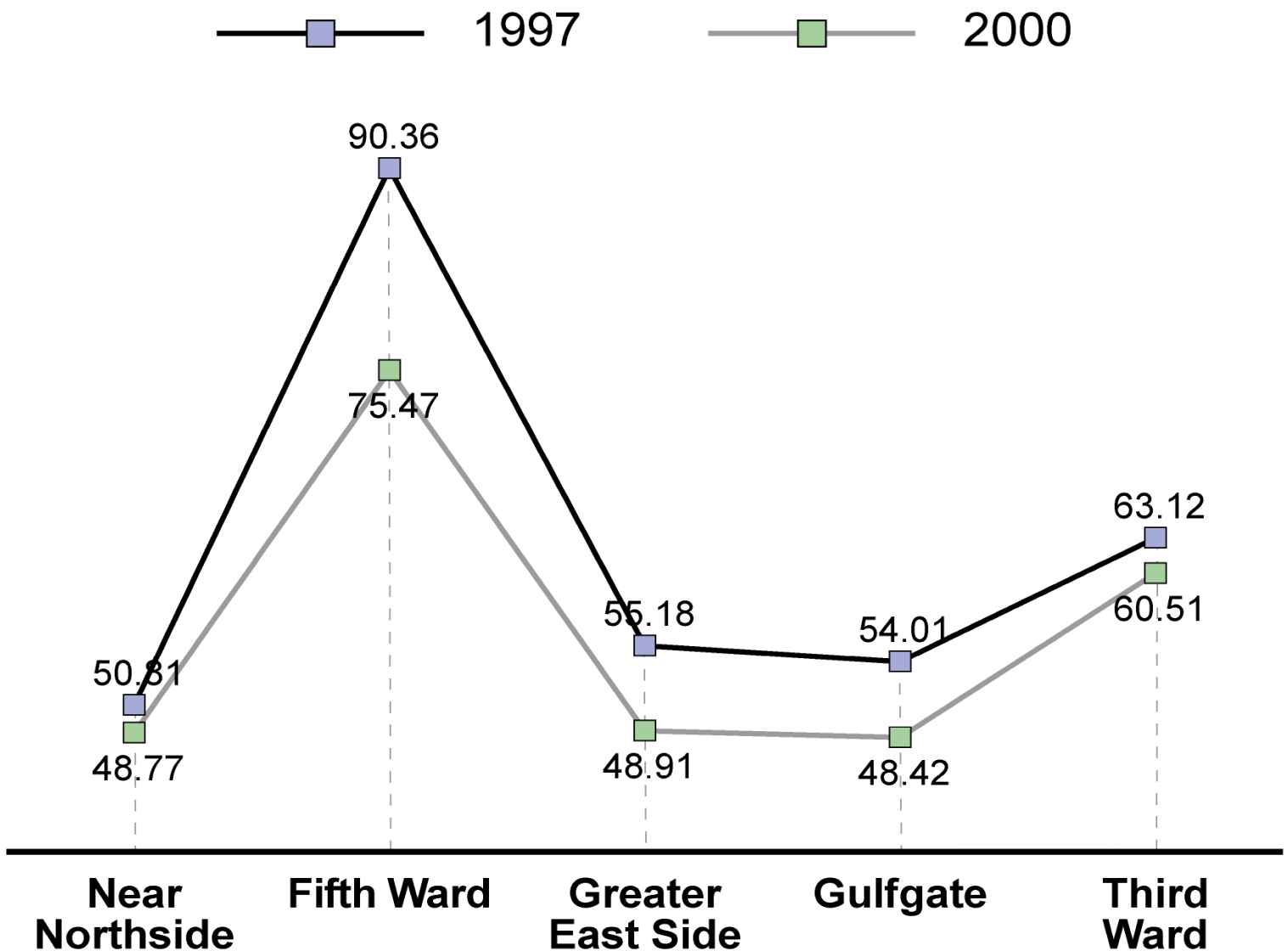
445 single family home sales were missing price and thus excluded from calculation of median home value



# **Risk: Crime and Stability**

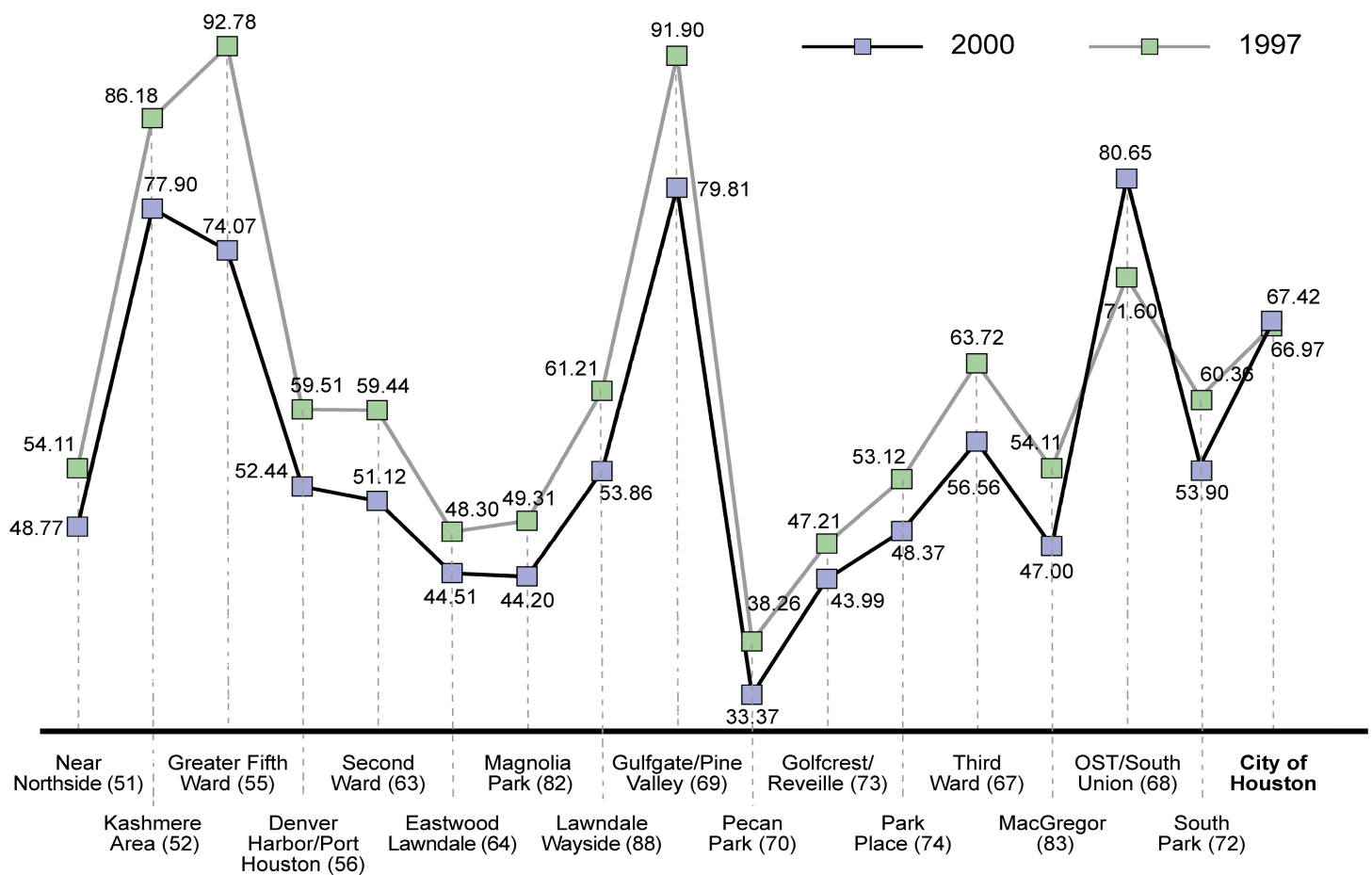
# Houston

Total incidents of crime by group (2000 versus 1997)



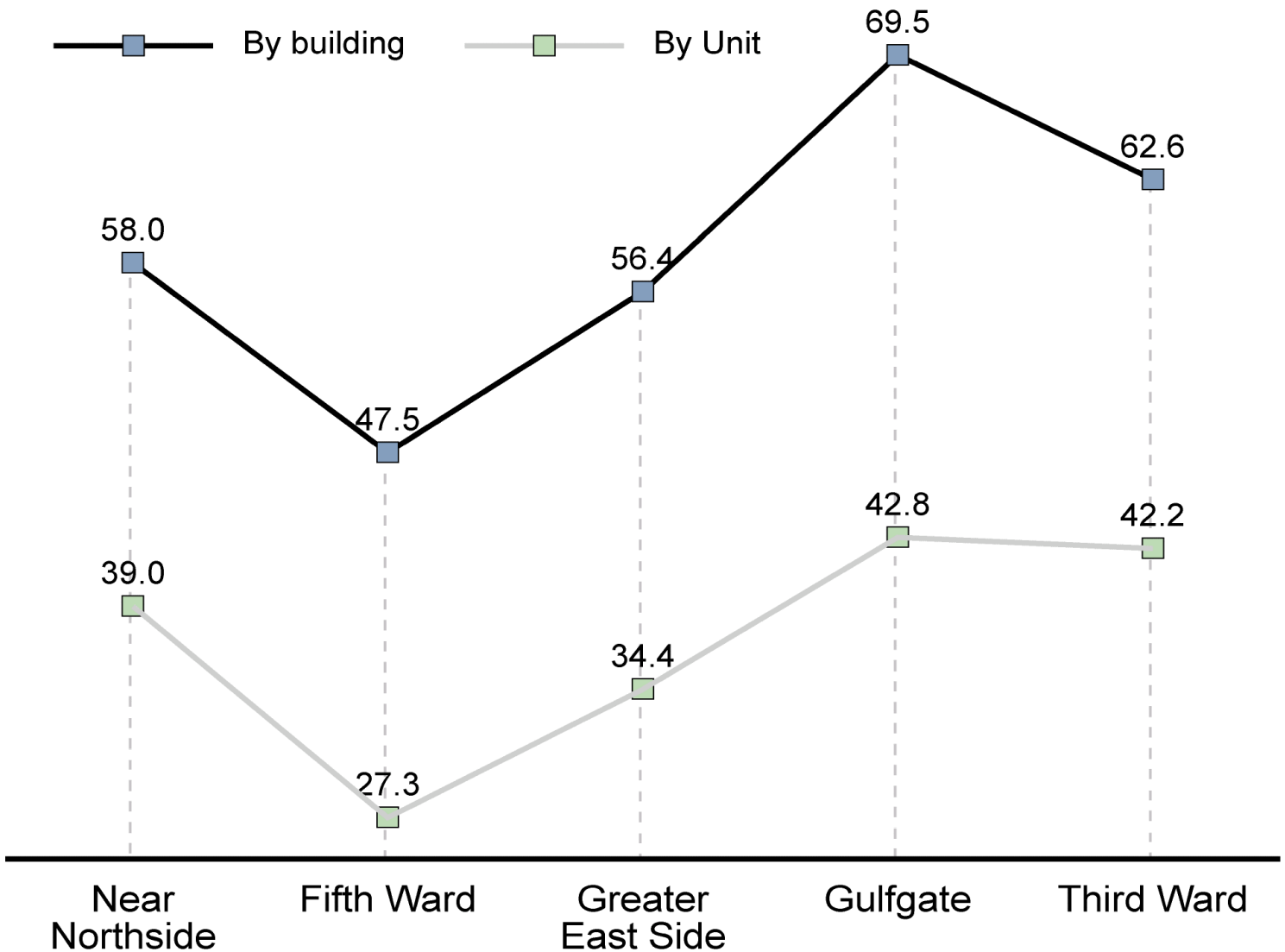
# Houston

Total incidents of crime by super neighborhood (2000 versus 1997)



# Houston

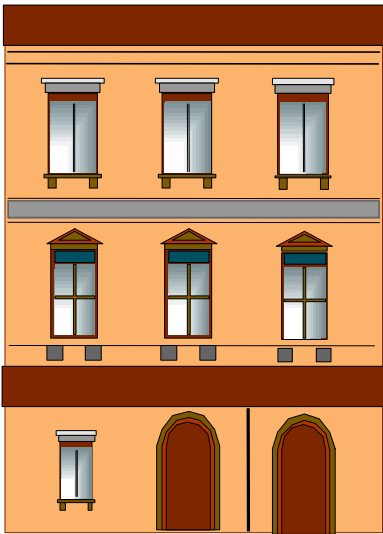
## Owner Occupancy by group



# Houston

## Owner Occupancy

3 units  
1 building  
1 owner



Owner occupancy  
per unit: 33%  
per building: 100%

1 unit  
1 building  
1 owner



Owner occupancy  
per unit: 100%  
per building: 100%

# Houston

## Owner occupancy

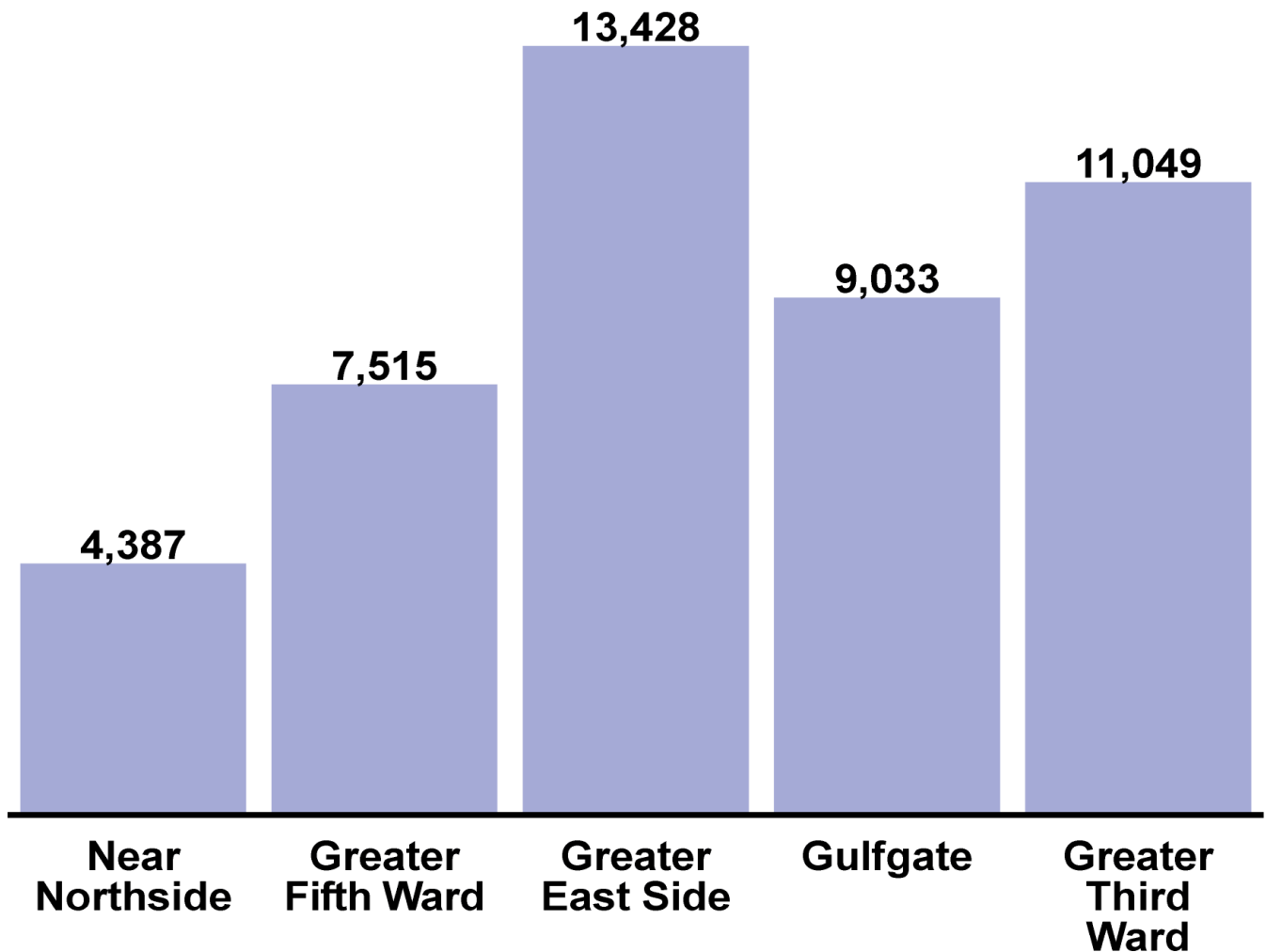
per unit: 37.7% / per building: 59.8%

# The Market Opportunities



# Houston

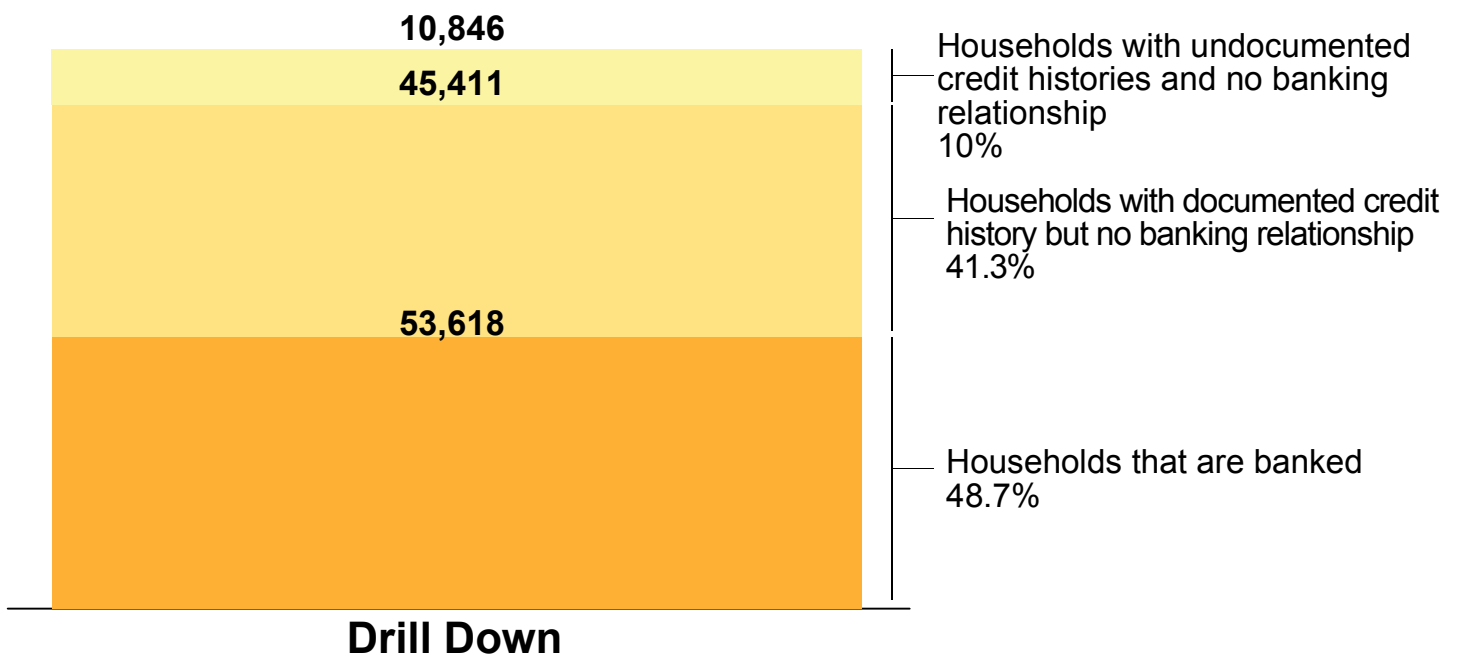
Households without documented banking relationship by group



\*An additional 10,846 households with undocumented credited histories and no banking relationship were uncovered by the Drill Down

# Houston

Households without documented banking relationship

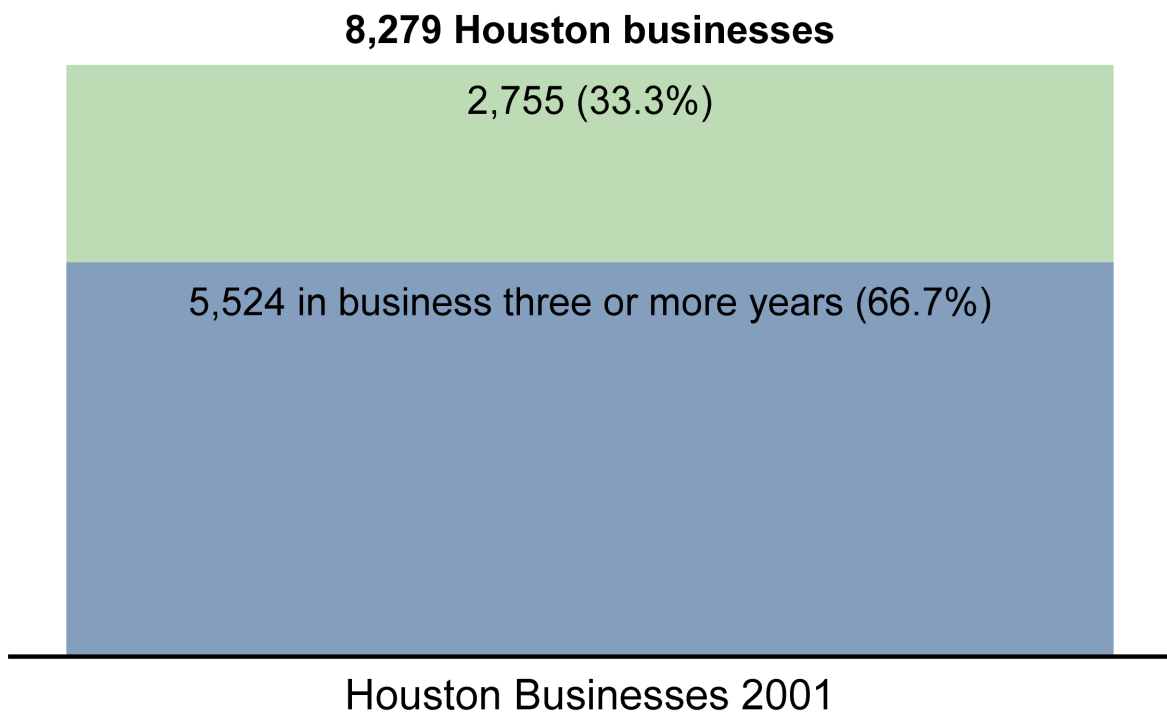


# **Major business market**

**8,279 businesses**  
**\$25 billion in revenue**  
**124,000 employees**

# Houston

Businesses 2001 (123,902 employees)



# Houston

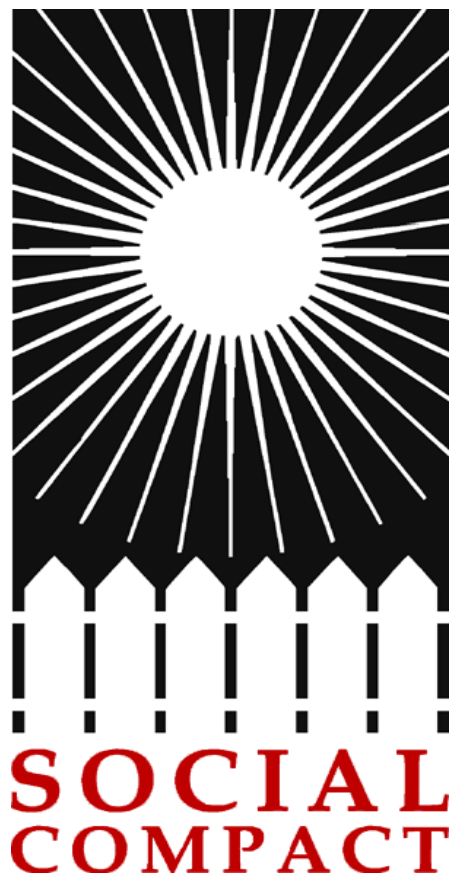
**Drill Down neighborhood**

**110,000  
households**

**354,000 residents**

**\$3.4 billion income**

**224,000 daytime  
population**



Promoting  
Sustainable

Business  
Investment  
In Undervalued  
Markets

# Houston

## Size/Growth

	Census 2000	Drill Down
Population	281,262	353,882
Population change (1990 – 2000)	3.9%	30.7%
Households	86,352	109,875
Households per residential acre		7.8
Daytime Population		224,053

# Houston

## Buying Power

	Census Upgrade	Drill Down
Average household income	\$36,924	\$26,832
Cash economy overlay		\$442,622,485
Adjusted average household income		\$30,860
Adjusted aggregate household income	\$3,221,323,608	\$3,390,788,485
Concentrated income per residential acre		\$238,534
Median housing sales value	\$54,598	\$76,299
Real estate appreciation		55.7%
% households without banking relationship		51.3%



# Houston

## Risk/Stability

### City of Houston

### Drill Down Neighborhood

Change in crime (1997 – 2000)*	0.7%
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-9.5%
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2000 crime per 1,000 people*	67.42
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54.66
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### Drill Down

Owner occupied units	37.7%
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37.7%
-------

Owner occupied buildings	59.8%
--------------------------	-------

59.8%
-------

Decrease in vacancy by unit level	8.1%
--------------------------------------	------

8.1%
------

\*Census 2000 population is used for both the 1997 and 2000 crime per 1,000 people estimate